

TOWN OF MILLS RIVER, NORTH CAROLINA

Financial Statements

June 30, 2021

Town Council Members

Chae Davis, Mayor
Brian Caskey, Mayor Pro Tem
Randy Austin
Brian Kimball
Roger Snyder

Administrative and Financial Staff

Daniel Cobb, Town Manager
Sue Powell, Finance Director
Aurelie Taylor, Tax Collector
Patty Brown, Deputy Clerk

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Independent Auditor's Report

To the Honorable Mayor
and Members of the Governing Board
Town of Mills River, North Carolina

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Mills River, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, effective July 1, 2020, the entity adopted new accounting guidance promulgated in GASB Statement No. 84, Fiduciary Activities. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Town of Mills River, North Carolina. The individual fund statement, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

To the Honorable Mayor and
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Independent Auditor's Report
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The individual fund statements, budgetary schedules and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by me. In my opinion, based on my audit, the individual fund statement, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

November 15, 2021

Carl E. Shaw, CPA, PLLC

Management's Discussion and Analysis

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

Financial Highlights

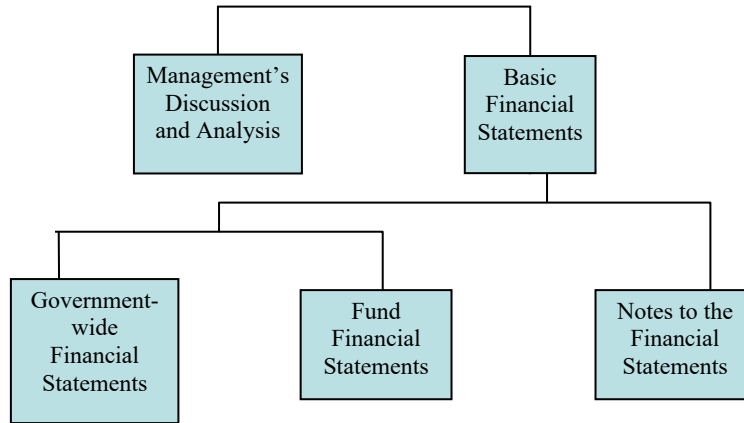
- The Town's assets and deferred outflows of resources *exceeded* its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,107,546.
- The Town's total net position *increased* by \$671,023. This year's increase was due to the strength of the property tax collections and the sales tax revenues received from the State, along with expenditures remaining below budgetary provisions.
- As of the June 30, 2021, the Town's governmental funds reported total fund balances of \$5,201,225, an increase of \$442,556 in comparison with the prior year. Approximately 8% percent of this total amount, or \$424,397, is nonspendable, restricted, committed or assigned.
- During the fiscal year, the Town implemented GASB Statement No. 84 Fiduciary Activities. The implementation of this standard resulted in the creation of a new Fines and Forfeitures Special Revenue Fund. The fines and forfeitures activity was previously accounted for in the General Fund.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town.

Figure 1

Required Components of Annual Financial Report



Summary



Detail

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's property taxes.

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 could be divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as general government, parks and recreation, and public safety. Property taxes and State-shared revenues finance most of these activities. The Town has no business-type activities. There are no component units.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. During the year ended June 30, 2021, the Town had four governmental funds.

Governmental Funds – The governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The Town's basic services are accounted for in its 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 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 Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin after Exhibit 5.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 28.

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

Government-wide Financial Analysis

Figure 2
Town of Mills River, North Carolina
Condensed Statements of Net Position
June 30

	2021	2020
Current Assets	\$ 5,291,801	\$ 4,876,122
Capital Assets, Net	5,969,524	5,699,758
Deferred Outflows of Resources	127,282	100,745
Total Assets and Deferred Outflows	11,388,607	10,676,625
Current Liabilities	51,855	85,284
Long-term Liabilities	219,088	154,549
Deferred Inflows of Resources	10,118	3,093
Total Liabilities and Deferred Inflows	281,061	242,926
Net Position		
Investment in Capital Assets	5,969,524	5,699,758
Restricted	349,028	292,713
Unrestricted	4,788,994	4,441,228
Total Net Position	\$ 11,107,546	\$ 10,433,699

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of the Town exceeded liabilities and deferred inflows by \$11,107,546 as of June 30, 2021. The Town’s net position *increased* by \$671,023 for the fiscal year ended June 30, 2021. However, approximately 54% of the Town’s net position reflects its investment in capital assets (e.g., land, building, furniture and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Town’s net position, \$349,028, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,788,994 is unrestricted.

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

- The Town achieved an overall tax collection rate of 99%.
- State-shared revenues such as sales taxes on retail goods and utilities increased over prior year totals.

Figure 3

**Town of Mills River, North Carolina
Condensed Statements of Activities
Years Ended June 30**

	2021	2020
Revenues:		
Program Revenues		
Charges for Services	\$ 14,475	\$ 8,630
Operating Grants and Contributions	37,416	3,691
Capital Grants and Contributions	29,287	-
General Revenues		
Ad Valorem Taxes	2,794,433	2,611,384
Other Taxes	1,592,277	1,336,136
Investment Earnings	10,498	72,400
Miscellaneous	54,148	7,951
Total Revenues	<u>4,532,534</u>	<u>4,040,192</u>
Expenses:		
General Government	720,232	679,048
Public Safety	2,402,377	2,250,920
Transportation	38,000	12,537
Economic and Physical Development	194,151	176,287
Cultural and Recreation	506,751	403,661
Interest on Long-term Debt	-	14,109
Total Expenses	<u>3,861,511</u>	<u>3,536,562</u>
Increase in Net Position	671,023	503,630
Net Position, beginning, as previously reported	10,433,699	9,930,069
Prior period restatement - change in accounting principle	2,824	-
Net Position, beginning, as restated	<u>10,436,523</u>	<u>9,930,069</u>
Net Position, June 30	<u><u>\$ 11,107,546</u></u>	<u><u>\$ 10,433,699</u></u>

Financial Analysis of the Town's General Fund

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, available fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town's unassigned fund balance available is \$4,776,828, while total fund balance totals \$5,199,355. The Governing Body of the Town of Mills River has determined that the Town should maintain an available fund balance of 65-75% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. As a measure of the General Fund's liquidity, it may be useful to compare available fund balance to total fund expenditures. Available fund balance represents 92% of annual General Fund expenditures.

At June 30, 2021, governmental funds reported a combined fund balance of \$5,201,225 with a net increase in fund balance of \$442,556. Included in this change is a decrease from the closure of the Capital Project Fund and increases in fund balance in the newly created Capital Reserve Fund and Fines and Forfeitures Special Revenue Fund, which resulted from the implementation of GASB Statement No. 84, Fiduciary Activities, during the fiscal year.

General Fund Budgetary Highlights – During the fiscal year, the Town revised its budget when it became necessary. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues were more than budgeted amounts primarily because the Town strives to budget with realistic revenue projections. Actual expenditures approximated budgeted amounts. The Town continued to provide required governmental services.

The Town provided \$6,031 to support the Henderson County Library branch in Mills River. The citizens of Mills River provided more than 129 volunteer hours in support of the Mills River branch library.

Capital Project Fund Budgetary Highlights – During the fiscal year, the Town completed construction of the new ball field in the Town Park and the closed the related capital project fund.

Capital Asset and Debt Administration

Capital Assets – The Town's investment in capital assets for its governmental activities as of June 30, 2021 totals \$5,969,524 (net of accumulated depreciation). These assets consist mainly of real property purchased, the Town Hall/Library building, and Park Maintenance building constructed in prior years, and construction-related costs for the Town Park.

During the current year, the Town completed construction on a ball field for the Park and installation of solar panels on the Town Hall and Park buildings. Other capital assets transactions

included stair access between the Town Hall and Park maintenance buildings, electric vehicle charging stations and various COVID-19 related improvements including plumbing for touchless fixtures.

Additional information on the capital assets of the Town can be found in Note 3 of the Basic Financial Statements.

Figure 4
Town of Mills River, North Carolina
Capital Assets - Net of Depreciation
June 30

	<u>2021</u>	<u>2020</u>
Non-Depreciable	\$ 2,480,550	\$ 2,696,154
Buildings	1,250,671	1,274,377
Land Improvements	1,802,256	1,415,312
Furniture and Equipment	401,844	280,319
Computer Equipment	34,203	33,596
Total	<u>\$ 5,969,524</u>	<u>\$ 5,699,758</u>

Long-term Obligations

The Town has no capital-related long-term obligations.

Economic Factors

The Town continued to see growth this year, despite the uncertainty associated with the COVID-19 pandemic. Overall permit numbers have decreased slightly for the same period last year; however, commercial investment remains high.

Additional economic factors include:

- Completion of Amazon's 112,000 square foot Mills River Delivery Station.
- Completion of Lowe's 90,000 square foot distribution center on Banner Farm Road.
- Permitting and groundbreaking of Pardee Hospital's Ambulatory Surgery Center on Highway 280.
- Permitting of the Cottages at Hays Mill 16-unit subdivision.
- Completion of the *Making Mills River* masterplan.
- Completion of the Parks and Recreation Master Plan.

Budget Highlights for the Fiscal Year Ending June 30, 2022

- The total tax rate for fiscal year 2022 remains the same at \$0.19 per \$100 valuation with \$0.08 going to the Town's General Fund for operating expenses and \$0.11 per \$100 valuation funding the contract with Mills River Fire and Rescue.
- Expenditures for fire service protection by Mills River Fire and Rescue at \$1,600,000.
- Expenditures for contractual law enforcement services provided by Henderson County Sheriff at \$804,700.
- Additional investment in Parks and Recreation with \$500,000 budgeted for a new picnic shelter.
- Completing a re-design of the Town's website.
- Implementation of a new permit tracking software platform.
- The Town continues to invest in future service provisions with the establishment of an additional capital reserve account with a contribution of \$100,000 for a future Town Hall.
- The Town entered the Powell Bill program on July 1, 2021 with estimated revenues for street maintenance of \$135,000.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager at the Town Hall, located at 124 Town Center Drive, Mills River, North Carolina, 28759, or (828) 890-2901.

Town of Mills River, North Carolina
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 4,872,760
Taxes Receivable (net)	48,236
Accounts Receivable	1,870
Accrued Interest Receivable on Taxes	13,708
Due from Other Governments	347,158
Prepaid Items	<u>8,069</u>
Total Current Assets	<u>5,291,801</u>
Non-Current Assets	
Capital Assets:	
Land and Non-Depreciable Improvements	2,480,550
Other Capital Assets, Net of Depreciation	<u>3,488,974</u>
	<u>5,969,524</u>
Total Assets	<u>11,261,325</u>
Deferred Outflows of Resources	
Pension Related Deferrals	<u>127,282</u>
Total Deferred Outflows of Resources	<u>127,282</u>

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

Exhibit 1

	Governmental Activities
Liabilities	
Current Liabilities	
Accounts Payable	\$ 15,406
Due to Other Government	3,108
Current Portion of Long-term Liabilities	33,341
Total Current Liabilities	51,855
Long-term Liabilities	
Net Pension Liability	207,975
Due in More than One Year	11,113
Total Long-term Liabilities	219,088
Total Liabilities	270,943
Deferred Inflows of Resources	
Prepaid Taxes	7,798
Prepaid Rent and Rental Deposits	2,320
Pension Related Deferrals	-
Total Deferred Inflows of Resources	10,118
Net Position	
Investment in Capital Assets	5,969,524
Restricted for:	
Stabilization by State Statute	347,158
Education	1,870
Unrestricted	4,788,994
Total Net Position	\$ 11,107,546

Exhibit 2

**Town of Mills River, North Carolina
Statement of Activities
Year Ended June 30, 2021**

					Net (Expense) Revenue and Changes in Net Position
Functions / Programs	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 717,408	\$ 14,475	\$ 23,439	\$ 21,180	\$ (658,314)
Public Safety	2,402,377	-	-	-	(2,402,377)
Transportation	38,000	-	-	-	(38,000)
Economic and Physical Development	194,151	-	-	-	(194,151)
Education	2,824				(2,824)
Cultural and Recreation	506,751	-	13,977	8,107	(484,667)
Total Governmental Activities	<u>\$ 3,861,511</u>	<u>\$ 14,475</u>	<u>\$ 37,416</u>	<u>\$ 29,287</u>	<u>(3,780,333)</u>
General Revenues					
Taxes:					
Property Taxes, levied for general purpose					2,794,433
Other Taxes					1,592,277
Unrestricted Investment Earnings					10,498
Miscellaneous					54,148
Total General Revenues					<u>4,451,356</u>
Change in Net Position					671,023
Net Position, beginning, as previously reported					10,433,699
Prior period restatement - change in accounting principle					2,824
Net Position, beginning, as restated					<u>10,436,523</u>
Net Position, June 30					\$ 11,107,546

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

Fund Financial Statements

Exhibit 3

Town of Mills River, North Carolina
Balance Sheets
Governmental Funds
June 30, 2021

	<u>Major Fund</u> <u>General Fund</u>	<u>Non-Major</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets			
Cash and Cash Equivalents	\$ 4,869,652	\$ 3,108	\$ 4,872,760
Taxes Receivable - Net	48,236	-	48,236
Accounts Receivable	-	1,870	1,870
Due from Other Governments	347,158	-	347,158
Prepaid Items	8,069	-	8,069
Total Assets	<u><u>\$ 5,273,115</u></u>	<u><u>\$ 4,978</u></u>	<u><u>\$ 5,278,093</u></u>
Liabilities			
Accounts Payable	\$ 15,406	\$ -	\$ 15,406
Due to Other Government	-	3,108	3,108
Total Liabilities	<u><u>15,406</u></u>	<u><u>3,108</u></u>	<u><u>18,514</u></u>
Deferred Inflows of Resources			
Property Taxes Receivable	48,236	-	48,236
Prepaid Taxes	7,798	-	7,798
Prepaid Rent and Rental Deposits	2,320	-	2,320
Total Deferred Inflows of Resources	<u><u>58,354</u></u>	<u><u>-</u></u>	<u><u>58,354</u></u>
Fund Balances			
Restricted			
Stabilization by State Statute	347,158	-	347,158
Education	-	1,870	1,870
Committed			
Cultural and Recreation	34,500	-	34,500
Assigned			
Building Maintenance	40,869	-	40,869
Unassigned	4,776,828	-	4,776,828
Total Fund Balances	<u><u>5,199,355</u></u>	<u><u>1,870</u></u>	<u><u>5,201,225</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 5,273,115</u></u>	<u><u>\$ 4,978</u></u>	<u><u>\$ 5,278,093</u></u>

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

Town of Mills River, North Carolina
Balance Sheets
Governmental Funds
June 30, 2021

Exhibit 3
(Continued)

Amounts reported for Governmental Activities in the Statement of Net Position (Exhibit 1) are different because:

Total Fund Balances - Governmental Funds		\$ 5,201,225
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Gross capital assets at historical cost	\$ 7,577,282	
Accumulated depreciation	<u>(1,607,758)</u>	5,969,524
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		
		127,282
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
		13,708
Earned revenues considered deferred inflows of resources in fund statements.		
		48,236
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the governmental funds.		
Gross long-term debt - beginning of year	(39,240)	
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)	<u>(5,214)</u>	(44,454)
Net Pension Liability		(207,975)
Pension related deferrals		<u>-</u>
Net Position of Governmental Activities		<u>\$ 11,107,546</u>

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

	Major Funds			Total
	General Fund	Capital Project Fund	Non-Major Fund	Governmental Funds
Revenues				
Ad Valorem Taxes	\$ 2,793,819	\$ -	\$ -	\$ 2,793,819
Unrestricted Intergovernmental	1,592,277	-	-	1,592,277
Restricted Intergovernmental	61,200	-	-	61,200
Restricted Contributions	5,503	-	-	5,503
Investment Earnings	10,498	-	-	10,498
Permits and Fees	14,475	-	-	14,475
Miscellaneous	52,278	-	1,870	54,148
Total Revenues	4,530,050	-	1,870	4,531,920
Expenditures				
Current:				
General Government	584,017	-	2,824	586,841
Public Safety	2,402,377	-	-	2,402,377
Transportation	38,000	-	-	38,000
Economic and Physical Development	195,005	-	-	195,005
Cultural and Recreation	374,321	-	-	374,321
Capital Outlay	215,112	277,708	-	492,820
Total Expenditures	3,808,832	277,708	2,824	4,089,364
Revenues over(under) expenditures	721,218	(277,708)	(954)	442,556
Other Financing Sources (Uses)				
Transfers from other funds	10,179	-	-	10,179
Transfers to other funds	-	(10,179)	-	(10,179)
Total other financing sources (uses)	10,179	(10,179)	-	-
Net Change in Fund Balances	731,397	(287,887)	(954)	442,556
Fund Balances, beginning as previously reported	4,467,958	287,887	-	4,755,845
Prior period restatement - change in accounting principle	-	-	2,824	2,824
Fund Balances, beginning, as restated	4,467,958	287,887	2,824	4,758,669
Fund Balances, ending	\$ 5,199,355	\$ -	\$ 1,870	\$ 5,201,225

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

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

Exhibit 4
(Continued)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$	442,556
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures which were capitalized	\$ 492,820	
Depreciation expense for governmental assets	<u>(223,054)</u>	269,766

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		43,611
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.

Change in accrued interest receivable on taxes		1,068
Change in unavailable revenue for tax revenues		(454)

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

This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt		-
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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 the governmental fund.

Change in compensated absences		(5,214)
Pension expense		<u>(80,310)</u>

Total Change in Net Position of Governmental Activities	\$	<u>671,023</u>
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Town of Mills River, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Annual Budget and Actual
For the Year Ended June 30, 2021

	Budget		Actual	
	Original	Final	Amounts	Variance
Revenues				
Ad Valorem Taxes	\$ 2,569,500	\$ 2,572,500	\$ 2,793,819	\$ 221,319
Unrestricted Intergovernmental	965,000	965,000	1,592,277	627,277
Restricted Intergovernmental	145,000	145,000	61,200	(83,800)
Restricted Contributions	-	-	5,503	5,503
Investment Earnings	15,500	15,500	10,498	(5,002)
Permits and Fees	6,000	6,000	14,475	8,475
Miscellaneous	2,100	2,100	52,278	50,178
Total Revenues	3,703,100	3,706,100	4,530,050	823,950
Expenditures				
Current:				
General Government	1,138,423	981,423	762,522	218,901
Public Safety	2,296,775	2,436,775	2,402,377	34,398
Transportation	15,000	50,000	38,000	12,000
Economic and Physical Development	283,096	267,096	207,005	60,091
Cultural and Recreation	739,306	750,485	398,928	351,557
Total Expenditures	4,472,600	4,485,779	3,808,832	676,947
Revenues over (under) expenditures	(769,500)	(779,679)	721,218	1,500,897
Other Financing Sources (Uses)				
Transfers from other funds	-	10,179	10,179	-
Transfers to other funds	(34,500)	(34,500)	(34,500)	-
Total Other Financing Sources (Uses)	(34,500)	(24,321)	(24,321)	-
Fund Balance Appropriated	804,000	804,000	-	(804,000)
Net Change in Fund Balance	\$ -	\$ -	696,897	\$ 696,897
Fund Balance, Beginning			4,467,958	
Fund Balance, Ending			\$ 5,164,855	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Transfer from the General Fund			34,500	
Fund Balance, Beginning			-	
Fund Balance, Ending (Exhibit 4)			\$ 5,199,355	

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

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

Note 1 – Summary of Significant Accounting Policies:

The accounting policies of the Town of Mills River (the “Town”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation, which is governed by a five-member Council. There are no other entities for which the Town is accountable and which should be included in the accompanying financial statements.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the Town’s financial activities. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major funds, with all remaining funds reported as non-major funds.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and State-shared revenues. The primary expenditures are for general government services and public safety. Additionally, the Town has legally adopted a Capital Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information.

Ball Field Capital Project Fund – This fund was used to account for the construction costs of the ball field for the Town’s Park. This fund was closed during the current fiscal year.

The Town reports the following non-major governmental fund:

Fines and Forfeitures Special Revenue Fund – This fund accounts for various legal fines and forfeitures that the Town is required to remit to the Henderson County Board of Education.

C. Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide 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.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenues because the amount is not susceptible to accrual. At June 30, taxes receivable 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 the municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received.

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

D. Budgetary Data

The Town's budget is adopted as required by North Carolina General Statutes. Annual budget ordinances are adopted for the General Fund, the Capital Reserve Fund and the Fines and Forfeitures Special Revenue Fund. All annual appropriations lapse at fiscal year-end. Budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for any revision that alter total expenditures or that change functional appropriations by more than \$2,500. These amendments must be approved by the governing board.

The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

A capital project ordinance was adopted for the Ball Field Capital Project Fund. This ordinance was in effect until the construction was completed.

E. 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. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents – The Town's cash and investments are essentially demand deposits and are considered cash and cash equivalents.

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

Allowances for Doubtful Accounts – All receivables that historically experience uncollectible accounts are subject to be shown net of an allowance for doubtful accounts. This amount would be estimated by analyzing the percentage of receivables that were written off in prior years. The Town has not established an allowance due to the immaterial amounts of receivables subject to being uncollectible.

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

Capital Assets – Capital assets are defined by the Town as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization cost is \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received after June 30, 2015 are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	Estimated Useful Lives (in years)
Buildings	39
Land Improvements	15
Furniture and Equipment	7
Vehicles	5
Computer Equipment	5

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net 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 two items that meet this criterion, contributions made to the pension plan in the 2021 year and pension related deferrals.

In addition to liabilities, the statement of net 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, prepaid rent, rental deposits and deferrals of pension expense.

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

In fund financial statements, governmental fund types recognize the face amount of debt issues as other financing sources. 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. An expense and liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an 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 has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

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

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

The governmental fund types classify fund balances as follows:

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

Prepaid Items – Portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenses, 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 legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Education – Portion of fund balance that is restricted for the Henderson County Board of Education.

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of the Town's governing body. Any changes or removal of specific purpose requires majority action by the governing body. 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.

The portion of fund balance held in the Town's capital reserve fund is considered to be committed.

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

Assigned for Building Maintenance – portion of fund balance that is assigned for necessary repairs and maintenance to the Town's buildings.

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

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first.

The Town has adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 65-75% of budgeted expenditures. If the fund balance percentage falls below the adopted threshold, the Governing Body will have 36 months to implement a plan to restore the fund balance to at least 65%.

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's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Note 2 – Deposits and Investments:

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 names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town in its name. The amount of pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no 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.

On June 30, 2021, the Town's deposits had a carrying amount of \$1,703,592 and a bank balance of \$1,712,069. \$1,250,000 of the bank balance was covered by federal depository insurance and \$462,069 in interest-bearing deposits was covered by collateral held under the Pooling Method. At June 30, 2021, the Town's petty cash fund totaled \$300.

Investments:

On June 30, 2021, the Town's investment balances were as follows:

Investment Type	Valuation Measurement Method	Fair Value	Maturity	Rating
NC Capital Management Trust -	Fair Value			
Government Portfolio	Level 1	\$ 3,168,868	N/A	AAAm
Total		<u>\$ 3,168,868</u>		

All investments are measured using the market approach; using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. The Town has no formal investment policy regarding interest rate risk.

Credit risk. The Town has no formal policy regarding credit risk but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Town's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm-mf by Moody's Investors Service as of June 30, 2021.

Custodial credit risk

The Town has no formal policy on custodial credit risk.

Note 3 – Capital Assets:

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,465,677	\$ -	\$ -	\$ 2,465,677
Construction in Progress	215,604	-	215,604	-
Land Improvements	14,873	-	-	14,873
Total Capital Assets Not Being Depreciated	2,696,154	-	215,604	2,480,550
Capital Assets Being Depreciated:				
Buildings	1,556,202	16,214	-	1,572,416
Land Improvements	2,089,842	509,811	-	2,599,653
Furniture and Equipment	529,819	164,576	-	694,395
Vehicles	46,040	-	-	46,040
Computer Equipment	166,405	17,823	-	184,228
Total Capital Assets Being Depreciated	4,388,308	708,424	-	5,096,732
Less: Accumulated Depreciation For:				
Land Improvements	674,530	122,867	-	797,397
Buildings	281,825	39,920	-	321,745
Furniture and Equipment	249,500	43,051	-	292,551
Vehicles	46,040	-	-	46,040
Computer Equipment	132,809	17,216	-	150,025
Total Accumulated Depreciation	1,384,704	223,054	-	1,607,758
Total Capital Assets Being Depreciated - Net	3,003,604	485,370	-	3,488,974
Governmental Activity Capital Assets - Net	\$ 5,699,758	\$ 485,370	\$215,604	\$ 5,969,524

Depreciation expense of \$223,054 was charged \$77,637 to the Town's general government function and \$145,417 to the Town's cultural and recreation function.

Note 4 – Pension Plan Obligations:

Local Governmental Employees' Retirement System

Plan Description. The Town of Mills River is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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.

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. 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 or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Mills River employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Mills River contractually required contribution rate for the year ended June 30, 2021, was 10.23%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Mills River were \$43,611 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 \$207,975 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 0.00582%, which was an increase of 0.00052% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$80,309. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,263	\$ -
Changes of assumptions	15,477	-
Net difference between projected and actual earnings on pension plan investments	29,267	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	12,664	-
Town contributions subsequent to the measurement date	43,611	-
	<u>\$ 127,282</u>	<u>\$ -</u>

\$43,611 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended 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	\$ 25,112
2023	31,270
2024	18,628
2025	8,661
2026	-
Thereafter	-
Total	<u>\$ 83,671</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 per year
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These

projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	<u>\$ 421,955</u>	<u>\$ 207,975</u>	<u>\$ 30,139</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 for the State of North Carolina.

Note 5 – 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 (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 System at the time of death, are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 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.

Note 6 – Claims, Judgments and Contingent Liabilities:

The Town is periodically involved in legal actions and claims arising in the normal course of operations. The ultimate resolution of these actions is not expected to have a material effect upon the net position of the Town.

Note 7 – Deferred Outflows and Inflows of Resources:

Deferred outflows of resources at June 30, 2021 is comprised of contributions to the pension plan in the current fiscal year totaling \$127,282.

Deferred inflows of resources at June 30, 2021 is comprised of the following:

Prepaid Taxes	\$	7,798
Prepaid Rent and Rental Deposits		2,320
Taxes Receivable		48,236
Differences between expected and actual experience		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		-
	<u>\$</u>	<u>58,354</u>

Note 8 – Risk Management:

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability of \$5 million and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage up to a \$2 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability, and property in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. 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 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 flood insurance due to the physical location of the Town's facilities and the lack of a risk of potential flood damage, as determined by the Town's management.

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 officer is bonded for \$75,000 and the tax collector is bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$100,000.

Note 9 – Long-term Debt:

A schedule of the changes in long-term debt that occurred during the year ended June 30, 2021 is as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion
Net Pension Liability (LGERS)	\$ 144,739	\$ 63,236	\$ -	\$ 207,975	\$ -
Compensated Absences	39,240	5,214	-	44,454	33,341
Total	<u>\$ 183,979</u>	<u>\$ 68,450</u>	<u>\$ -</u>	<u>\$ 252,429</u>	<u>\$ 33,341</u>

The Town's legal debt margin was approximately \$117,260,000 at June 30, 2021.

Note 10 – Interfund Balances and Activity:

As of June 30, 2021, there were no interfund balances.

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts providing matching funds for various grant programs.

During the 2021 fiscal year, the Town transferred \$34,500 from the General Fund to the Capital Reserve Fund to fund future capital projects for the Town. The Town also closed the Capital Project fund upon project completion and transferred the remaining balance of \$10,179 to the General Fund.

Note 11 – Commitments:

The Town had no outstanding commitments at June 30, 2021.

Note 12 – Restatements:**Change in Accounting Principle**

The Town implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the Town performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as of the beginning of the fiscal year as follows:

Cash and receivables from fines and forfeitures net of liabilities owed to the Henderson County Board of Education were reclassified out of the General Fund into a newly created Fines and Forfeitures Special Revenue Fund. The portion of liabilities in the General Fund representing receivables that were uncollected at the beginning of the year were restated as fund balance.

\$	-	\$	2,824
\$	-	\$	2,824

**Required
Supplementary Information**

Town of Mills River, North Carolina
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>
Mills River's proportion of the net pension liability (asset) (%)	0.00582%	0.00530%	0.00492%	0.00419%	0.00459%	0.00306%	0.00450%	0.00380%
Mills River's proportion of the net pension liability (asset) (\$)	\$207,975	\$144,739	\$116,719	\$ 64,013	\$ 97,416	\$ 13,733	\$ (26,539)	\$ 45,805
Mills River's covered payroll	\$403,814	\$361,163	\$343,362	\$312,393	\$298,753	\$270,115	\$252,053	\$181,231
Mills River's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.50%	40.08%	33.99%	20.49%	32.61%	5.08%	-10.53%	25.27%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%	96.45%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30. This schedule is intended to provide information for ten fiscal years. Additional years' information will be displayed as it becomes available.

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

Town of Mills River, North Carolina
Schedule of 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	\$ 43,611	\$ 37,393	\$ 29,110	\$ 26,748	\$ 26,335	\$ 23,034	\$ 21,420	\$ 19,963
Contributions in relation to the contractually required contribution	<u>43,611</u>	<u>37,393</u>	<u>29,110</u>	<u>26,748</u>	<u>26,335</u>	<u>23,034</u>	<u>21,420</u>	<u>19,963</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Mills River's covered payroll	\$ 426,299	\$ 403,814	\$ 361,163	\$ 343,362	\$ 312,393	\$ 298,753	\$ 270,115	\$ 252,053
Contributions as a percentage of covered payroll	<u>10.23%</u>	<u>9.26%</u>	<u>8.06%</u>	<u>7.79%</u>	<u>8.42%</u>	<u>7.70%</u>	<u>7.92%</u>	<u>7.92%</u>

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30. This schedule is intended to provide information for ten fiscal years. Additional years' information will be displayed as it becomes available.

Individual Fund Statements and Schedules and Other Schedules

Town of Mills River, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes		\$ 2,785,088	
Interest		8,731	
Total	<u>\$ 2,572,500</u>	<u>2,793,819</u>	<u>\$ 221,319</u>
Unrestricted Intergovernmental:			
Local Option Sales Taxes		1,107,375	
Sales Tax - Utilities		388,248	
Sales Tax - Telecommunications		42,720	
Sales Tax - Video Programming		22,384	
Beer and Wine Tax		31,550	
Total	<u>965,000</u>	<u>1,592,277</u>	<u>627,277</u>
Restricted Intergovernmental	<u>145,000</u>	<u>61,200</u>	<u>(83,800)</u>
Restricted Contributions	<u>-</u>	<u>5,503</u>	<u>5,503</u>
Permits and Fees:			
Building permits	<u>6,000</u>	<u>14,475</u>	<u>8,475</u>
Investment Earnings	<u>15,500</u>	<u>10,498</u>	<u>(5,002)</u>
Miscellaneous			
Reimbursements and Rebates		43,650	43,650
Rental Income	2,000	8,370	6,370
Other Miscellaneous Income	<u>100</u>	<u>258</u>	<u>158</u>
	<u>2,100</u>	<u>52,278</u>	<u>50,178</u>
Total Revenues	<u>3,706,100</u>	<u>4,530,050</u>	<u>823,950</u>
Expenditures:			
General Government:			
Governing Body	<u>3,250</u>	<u>1,617</u>	<u>1,633</u>
Administration:			
Salaries and Employee Benefits	405,168	388,370	
Other Operating Expenditures	191,005	134,904	
Capital Outlay		<u>21,180</u>	
Total	<u>596,173</u>	<u>544,454</u>	<u>51,719</u>

Town of Mills River, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Finance:			
Tax Department	\$ 3,500	\$ 3,066	
Contract Services	32,500	32,047	
Total	<u>36,000</u>	<u>35,113</u>	<u>\$ 887</u>
Legal:			
Contract Services	<u>12,000</u>	<u>10,560</u>	<u>1,440</u>
Public Building			
Capital Outlay	334,000	157,326	
Other Operating Expenditures	-	13,452	
Total	<u>334,000</u>	<u>170,778</u>	<u>163,222</u>
Total General Government	<u>981,423</u>	<u>762,522</u>	<u>218,901</u>
Public Safety			
Payments to Henderson County Sheriff	793,000	792,270	
Payments to Fire Departments	<u>1,643,775</u>	<u>1,610,107</u>	
Total Public Safety	<u>2,436,775</u>	<u>2,402,377</u>	<u>34,398</u>
Transportation	<u>50,000</u>	<u>38,000</u>	
Total	<u>50,000</u>	<u>38,000</u>	<u>12,000</u>
Economic and Physical Development			
Capital Outlay		12,000	
Other Operating Expenditures	<u>267,096</u>	<u>195,005</u>	
Total	<u>267,096</u>	<u>207,005</u>	<u>60,091</u>

Town of Mills River, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Cultural and Recreation			
Capital Outlay	\$ 200,000	\$ 24,606	
Parks	540,485	368,291	
Library	10,000	6,031	
Total	<u>750,485</u>	<u>398,928</u>	<u>\$ 351,557</u>
Total Expenditures	<u>4,485,779</u>	<u>3,808,832</u>	<u>676,947</u>
Revenues Over (Under) Expenditures	<u>(779,679)</u>	<u>721,218</u>	<u>1,500,897</u>
Other Financing Sources (Uses):			
Transfers from Other Funds			
Capital Project Fund	10,179	10,179	-
Transfers to Other Funds			
Capital Reserve Fund	<u>(34,500)</u>	<u>(34,500)</u>	<u>-</u>
Total	<u>(24,321)</u>	<u>(24,321)</u>	<u>-</u>
Fund Balance Appropriated	<u>804,000</u>	<u>-</u>	<u>(804,000)</u>
Net Change in Fund Balance	<u><u>\$ -</u></u>	<u>696,897</u>	<u><u>\$ 696,897</u></u>
Fund Balance:			
Beginning of Year		<u>4,467,958</u>	
End of Year		<u><u>\$ 5,164,855</u></u>	

Town of Mills River, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Capital Reserve Fund
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other Revenue	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Cultural and Recreation:			
Capital Outlay	34,500	-	34,500
Total Expenditures	<u>34,500</u>	<u>-</u>	<u>34,500</u>
Revenues Over (Under)			
Expenditures	<u>(34,500)</u>	<u>-</u>	<u>34,500</u>
Other Financing Sources (Uses)			
Transfers to/from Other Funds:			
From General Fund	34,500	34,500	-
To General Fund	-	-	-
Total	<u>34,500</u>	<u>34,500</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	34,500	<u>\$ 34,500</u>
Fund Balance:			
Beginning of Year		<u>-</u>	
End of Year		<u>\$ 34,500</u>	

Town of Mills River, North Carolina
Balance Sheet
Special Revenue Fund
Fines and Forfeitures Fund
June 30, 2021

Assets

Cash and Cash Equivalents	\$ 3,108
Accounts Receivable	<u>1,870</u>
Total Assets	<u><u>\$ 4,978</u></u>

Liabilities and Fund Balances

Liabilities:

Due to Other Government	<u>3,108</u>
Total Liabilities	<u>3,108</u>

Fund Balances:

Restricted - Education	<u>1,870</u>
Total Fund Balance	<u>1,870</u>
Total Liabilities and Fund Balances	<u><u>\$ 4,978</u></u>

Town of Mills River, North Carolina
Special Revenue Fund
Fines and Forfeitures 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			
Sales and Services			
Penalties, fines and forfeitures	\$ 3,000	\$ 1,870	\$ (1,130)
Total Revenues	<u>3,000</u>	<u>1,870</u>	<u>(1,130)</u>
Expenditures			
Current			
Education			
Payments of penalties, fines and forfeitures to the Henderson County Board of Education	<u>3,000</u>	<u>2,824</u>	<u>176</u>
Total Expenditures	<u>3,000</u>	<u>2,824</u>	<u>176</u>
Net change in fund balance	<u>\$ -</u>	<u>(954)</u>	<u>\$ (954)</u>
Fund balance, beginning, as previously reported		-	
Prior period restatement-change in accounting principle		<u>2,824</u>	
Fund balance, beginning, as restated		<u>2,824</u>	
Fund balance, ending		<u>\$ 1,870</u>	

Town of Mills River, North Carolina
Capital Projects Fund - Ball Field
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
From Inception and For The Fiscal Year Ended June 30, 2021

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures					
Cultural and Recreation:					
Capital Outlay	440,000	177,113	277,708	454,821	(14,821)
Contingency	25,000	-	-	-	25,000
Total Expenditures	465,000	177,113	277,708	454,821	10,179
Revenues Under					
Expenditures	(465,000)	(177,113)	(277,708)	(454,821)	10,179
Other Financing Sources (Uses)					
Transfers to/from Other Funds:					
From General Fund	465,000	465,000	-	465,000	-
To General Fund	-	-	(10,179)	(10,179)	10,179
Total	465,000	465,000	(10,179)	454,821	10,179
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 287,887</u>	<u>(287,887)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of Year			287,887		
End of Year			<u>\$ -</u>		

Other Schedules

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

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections And Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 2,786,795	\$ 2,765,594	\$ 21,201
2019-2020	26,544	-	15,217	11,327
2018-2019	9,498	-	2,703	6,795
2017-2018	5,359	-	1,404	3,955
2016-2017	2,870	-	738	2,132
2015-2016	1,766	-	415	1,351
2014-2015	608	-	62	546
2013-2014	380	-	127	253
2012-2013	176	-	142	34
2011-2012	673	-	31	642
2010-2011	816	-	816	-
Totals	\$ 48,690	\$ 2,786,795	\$ 2,787,249	\$ 48,236
Less: Allowance for Uncollectible Taxes				-
Ad Valorem Taxes Receivable - Net				<u>\$ 48,236</u>
Reconciliation with Revenues:				
Taxes - Ad Valorem - General Fund				\$ 2,785,088
Penalties collected on ad valorem taxes - Fines and Forfeitures Special Revenue Fund				1,870
Reconciling Items:				
Taxes written off				782
Releases, Refunds, and Adjustments				(491)
Total Collections and Credits				<u>\$ 2,787,249</u>

Town of Mills River, North Carolina
Analysis of Current Tax Levy
Year Ended June 30, 2021

	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>		
			<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy	\$ 1,435,827,368	\$ 0.19	\$ 2,728,072	\$ 2,517,950	\$ 210,122
Discoveries	31,822,105		60,462	60,462	-
Releases	<u>(915,263)</u>		<u>(1,739)</u>	<u>(1,739)</u>	<u>-</u>
Adjusted Levy	<u><u>\$ 1,466,734,210</u></u>				
Net Levy			2,786,795	2,576,673	210,122
Less: Uncollected Taxes at June 30, 2021			<u>21,201</u>	<u>21,201</u>	<u>-</u>
Current Year's Taxes Collected			<u><u>\$ 2,765,594</u></u>	<u><u>\$ 2,555,472</u></u>	<u><u>\$ 210,122</u></u>
Percent Collected			<u><u>99.24%</u></u>	<u><u>99.18%</u></u>	<u><u>100.00%</u></u>