

REVIEWED

By SLGFD at 9:28 am, Dec 22, 2021

TOWN OF WAGRAM, NORTH CAROLINA

Report of Audit

For the Fiscal Year Ended June 30, 2021

TOWN OF WAGRAM

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FINANCIAL SECTION

Independent Auditor's Report

To the Honorable Mayor
And Members of Town Council
Wagram, 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 Wagram, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, 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 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

W Greene PLLC

Whiteville, North Carolina
November 3, 2021

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

Financial Highlights

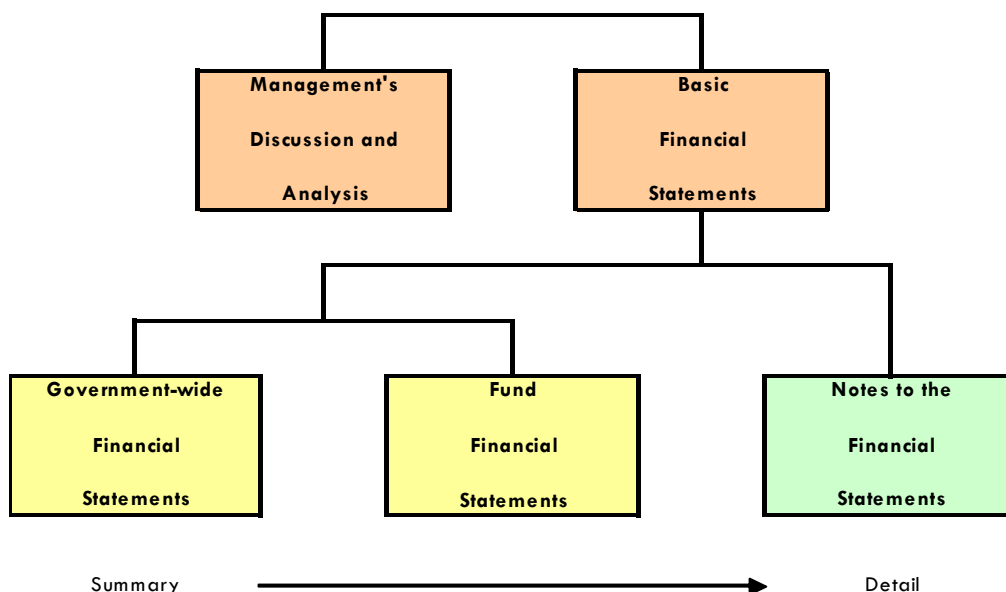
- The assets and deferred outflows of resources of the Town of Wagram exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,953,144 (net position).
- As of the close of the current fiscal year, the Town of Wagram's governmental funds reported combined ending fund balances of \$1,246,019, with an increase of \$168,201 in fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$705,572 or 232.58 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (pages 18 through 21) 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 (pages 22 through 33) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina 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 administration, streets and highways, and public safety. 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. This includes the water and sewer services offered by the Town of Wagram.

The government-wide financial statements are on pages 18 through 21 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 of Wagram, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Wagram can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him 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 Wagram adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – Town of Wagram has one kind of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Wagram uses enterprise funds to account for its water and sewer activity. This fund is the same as those functions shown in business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 34 through 60 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 Wagram's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 62 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

The Town of Wagram's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,318,463	\$ 1,152,745	\$ 497,462	\$ 461,087	\$ 1,815,925	\$ 1,613,832
Capital assets	1,698,922	1,756,012	2,975,111	3,074,020	4,674,033	4,830,032
Deferred outflows of resources	40,393	22,615	9,299	8,774	49,692	31,389
Total assets and deferred outflows of resources	3,057,778	2,931,372	3,481,872	3,543,881	6,539,650	6,475,253
Long-term liabilities outstanding	523,636	506,074	19,443	17,741	543,079	523,815
Other liabilities	10,053	9,079	26,072	25,412	36,125	34,491
Deferred inflows of resources	6,119	3,141	1,183	515	7,302	3,656
Total liabilities and deferred inflows of resources	539,808	518,294	46,698	43,668	586,506	561,962
Net position:						
Net investment in capital assets	1,273,947	1,321,958	2,975,111	3,074,020	4,249,058	4,395,978
Restricted	149,243	144,969	-	-	149,243	144,969
Unrestricted	1,094,780	946,151	460,063	426,193	1,554,843	1,372,344
Total net position	\$ 2,517,970	\$ 2,413,078	\$ 3,435,174	\$ 3,500,213	\$ 5,953,144	\$ 5,913,291

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Wagram exceeded liabilities and deferred inflows by \$5,953,144 as of June 30, 2021. The Town's net position increased by \$39,853 for the fiscal year ended June 30, 2021. However, the largest portion (71.38%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Town of Wagram uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Wagram's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Wagram's net position \$149,243 represents sources that are subject to external restrictions on how they may be used. The remaining balance of \$1,554,843 is unrestricted.

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

- Continued diligence in the collection of property taxes by increasing the tax collection percentage to 93.31%.

Management's Discussion and Analysis (Continued)

The Town of Wagram's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 57,489	\$ 58,600	\$ 248,849	\$ 247,246	\$ 306,338	\$ 305,846
Operating grants and contributions	51,424	28,902	-	-	51,424	28,902
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property taxes	195,877	188,125	-	-	195,877	188,125
Other taxes	135,360	125,045	-	-	135,360	125,045
Other	6,286	9,650	2,284	4,194	8,570	13,844
Total revenues	446,436	410,322	251,133	251,440	697,569	661,762
Expenses:						
Administration	130,691	123,906	-	-	130,691	123,906
Nutrition site	2,361	3,168	-	-	2,361	3,168
Police	97,995	97,934	-	-	97,995	97,934
Fire	9,000	9,000	-	-	9,000	9,000
Street Department	86,217	91,213	-	-	86,217	91,213
Powell Bill	17,337	14,812	-	-	17,337	14,812
Parks and Recreation	-	-	-	-	-	-
Festival	-	-	-	-	-	-
Interest on long-term debt	17,943	18,303	-	-	17,943	18,303
Water and Sewer	-	-	296,172	294,257	296,172	294,257
Total expenses	361,544	358,336	296,172	294,257	657,716	652,593
Increase(Decrease) in net position before transfers	84,892	51,986	(45,039)	(42,817)	39,853	9,169
Transfers	20,000	10,000	(20,000)	(10,000)	-	-
Change in net position	104,892	61,986	(65,039)	(52,817)	39,853	9,169
Net position, July 1	2,413,078	2,351,092	3,500,213	3,553,030	5,913,291	5,904,122
Restatement	-	-	-	-	-	-
Net Position, July 1, Restated	2,413,078	2,351,092	3,500,213	3,553,030	5,913,291	5,904,122
Net position, June 30	\$ 2,517,970	\$ 2,413,078	\$ 3,435,174	\$ 3,500,213	\$ 5,953,144	\$ 5,913,291

Governmental activities. Governmental activities increased the Town's net position by \$104,892. Key element of this increase is as follows:

- Increase in property tax and other tax revenues during the year.

Business-type activities. Business-type activities decreased the Town of Wagram's net position by \$65,039.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Wagram'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 Wagram's financing requirements.

The general fund is the chief operating fund of the Town of Wagram. At the end of the current fiscal year, Town of Wagram's fund balance available in the General Fund was \$1,209,640, while total fund balance reached \$1,246,019. The Town currently has an available fund balance of 398.74 percent of total General Fund expenditures, while total fund balance represents 410.73 percent of the same amount.

At June 30, 2021, the governmental funds of Town of Wagram reported a combined fund balance of \$1,246,019, with a net increase in fund balance of \$168,201. Included in this change in fund balance are an increase in fund balance in the General Fund.

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

Revenues were more than the budgeted amounts primarily because the Town received more intergovernmental funds and taxes than were anticipated. Overall, expenditures were less than budgeted amounts.

Proprietary Funds. The Town of Wagram's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Proprietary Fund at the end of the fiscal year amounted to \$460,063. The total change in net position for the Proprietary Fund was a decrease of \$65,039.

Capital Asset and Debt Administration

Capital assets. The Town of Wagram's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$4,674,033 (net of accumulated depreciation). These assets include buildings, land, vehicles, infrastructure, and equipment.

The Town of Wagram's Capital Assets
Figure 4

(Net of depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,301	\$ 5,301	\$ 4,375	\$ 4,375	\$ 9,676	\$ 9,676
Construction in Progress		-	-	-	-	-
Buildings	1,687,529	1,742,919	-	-	1,687,529	1,742,919
Infrastructure	-	-	2,961,152	3,054,500	2,961,152	3,054,500
Vehicles	6,092	7,792	-	2,885	6,092	10,677
Equipment	-	-	9,584	12,260	9,584	12,260
Total	\$ 1,698,922	\$ 1,756,012	\$ 2,975,111	\$ 3,074,020	\$ 4,674,033	\$ 4,830,032

Additional information on the Town's capital assets can be found on page 43 in the Notes to the Financial Statements.

Long-term Debt. As of June 30, 2021, the Town of Wagram had total debt outstanding of \$552,532. Of this, \$0 is debt backed by the full faith and credit of the Town of Wagram.

The Town of Wagram's Outstanding Debt
Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installment purchases	424,975	434,054	-	-	424,975	434,054
Compensated absences	6,571	4,810	3,656	2,680	10,227	7,490
Pension Related Debt (LGERS)	32,454	31,092	15,787	15,061	48,241	46,153
Pension Related Debt (LEO)	69,089	45,197	-	-	69,089	45,197
Total	\$ 533,089	\$ 515,153	\$ 19,443	\$ 17,741	\$ 552,532	\$ 532,894

The Town of Wagram's total debt increased by \$19,638 during the fiscal year, primarily due to increases in the pension liabilities.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Wagram is \$2,371,758. The Town of Wagram does not have any authorized but un-issued debt at June 30, 2021.

Additional information regarding the Town of Wagram's long-term debt can be found beginning on page 57 in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

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

- Population growth – The Town's stagnant population growth is primarily due to lack of industry to support jobs.
- The economy is also being negatively impacted by the COVID-19 pandemic.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities. Property tax rates will remain constant.

Business-type Activities. Water and sewer rates in the Town are not expected to increase.

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 following:

**Phyllis Lowery
Finance Officer
Town of Wagram
PO Box 118
Wagram, NC 28396**

TOWN OF WAGRAM

Basic Financial Statements

TOWN OF WAGRAM, NORTH CAROLINA

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,099,425	\$ 454,718	\$ 1,554,143
Receivables (net):			
Ad Valorem Taxes	55,463	-	55,463
Interest	14,332	-	14,332
Accounts	5,558	16,672	22,230
Due from Other Governments	30,821	-	30,821
Restricted Cash and Cash Equivalents	112,864	26,072	138,936
Total Current Assets	1,318,463	497,462	1,815,925
Noncurrent Assets:			
Capital Assets			
Land, Nondepreciable Improvements, and Construction in Progress	5,301	4,375	9,676
Other Capital Assets, Net of Depreciation	1,693,621	2,970,736	4,664,357
Total Capital Assets	1,698,922	2,975,111	4,674,033
Total Assets	3,017,385	3,472,573	6,489,958
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferrals	40,393	9,299	49,692
Total Deferred Outflows of Resources	\$ 40,393	\$ 9,299	\$ 49,692

TOWN OF WAGRAM, NORTH CAROLINA

Statement of Net Position (Continued)

June 30, 2021

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable and			
Accrued Liabilities	\$ -	\$ -	\$ -
Customer Deposits	-	26,072	26,072
Community Building Deposit	600	-	600
Current Portion of Long-Term Liabilities	9,453	-	9,453
Total Current Liabilities	10,053	26,072	36,125
Long-Term Liabilities:			
Net Pension Liability	32,454	15,787	48,241
Total Pension Liability	69,089	-	69,089
Due in More Than One year	422,093	3,656	425,749
Total Long-Term Liabilities	523,636	19,443	543,079
Total Liabilities	533,689	45,515	579,204
DEFERRED INFLOWS OF RESOURCES			
Prepaid Taxes	2,049	-	2,049
Pension Deferrals	4,070	1,183	5,253
Total Deferred Inflows of Resources	6,119	1,183	7,302
NET POSITION			
Net Investment in Capital Assets	1,273,947	2,975,111	4,249,058
Restricted for:			
Transportation	85,842	-	85,842
Stabilization by State Statute	36,379	-	36,379
Pursuant to Loan Requirements	27,022	-	27,022
Unrestricted	1,094,780	460,063	1,554,843
Total Net Position	\$ 2,517,970	\$ 3,435,174	\$ 5,953,144

TOWN OF WAGRAM, NORTH CAROLINA

Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Administration	\$ 130,691	\$ 57,489	\$ 24,867	\$ -
Nutrition Site	2,361	-	-	-
Police	97,995	-	-	-
Fire	9,000	-	-	-
Street Department	86,217	-	-	-
Powell Bill	17,337	-	26,557	-
Parks and Recreation	-	-	-	-
Festival	-	-	-	-
Interest on long-term debt	17,943	-	-	-
Total Governmental Activities	361,544	57,489	51,424	-
Business-Type Activities:				
Water and Sewer	296,172	248,849	-	-
Total Business-Type Activities	296,172	248,849	-	-
Total Primary Government	\$ 657,716	\$ 306,338	\$ 51,424	\$ -

TOWN OF WAGRAM, NORTH CAROLINA

Statement of Activities (Continued)

For the Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Functions/Programs	Governmental Activities	Business-Type Activities	Totals
Primary Government:			
Governmental Activities:			
Administration	\$ (48,335)	\$ -	\$ (48,335)
Nutrition Site	(2,361)	-	(2,361)
Police	(97,995)	-	(97,995)
Fire	(9,000)	-	(9,000)
Street Department	(86,217)	-	(86,217)
Powell Bill	9,220	-	9,220
Parks and Recreation	-	-	-
Festival	-	-	-
Interest on long-term debt	(17,943)	-	(17,943)
Total Governmental Activities	(252,631)	-	(252,631)
Business-Type Activities:			
Water and Sewer	-	(47,323)	(47,323)
Total Business-Type Activities	-	(47,323)	(47,323)
Total Primary Government	(252,631)	(47,323)	(299,954)
General Revenues:			
Property Taxes, Levied for General Purpose	195,877	-	195,877
Other Taxes and Licenses	135,360	-	135,360
Investment Earnings	530	335	865
Miscellaneous	5,756	1,949	7,705
Transfers	20,000	(20,000)	-
Total General Revenues and Transfers	357,523	(17,716)	339,807
Change in Net Position	104,892	(65,039)	39,853
Net Position - Beginning of Year	2,413,078	3,500,213	5,913,291
Net Position - End of Year	\$ 2,517,970	\$ 3,435,174	\$ 5,953,144

TOWN OF WAGRAM, NORTH CAROLINA

Balance Sheet

Governmental Funds

June 30, 2021

	<u>Major Funds</u>	
	<u>General</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,099,425	\$ 1,099,425
Restricted Cash	112,864	112,864
Receivables (net):		
Ad Valorem Taxes	55,463	55,463
Sanitation	5,558	5,558
Due from Other Governments	30,821	30,821
Total Assets	<u>1,304,131</u>	<u>1,304,131</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	-	-
Community Building Deposit	600	600
Total Liabilities	<u>600</u>	<u>600</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Receivable	55,463	55,463
Prepaid Taxes	2,049	2,049
Total Deferred Inflows of Resources	<u>57,512</u>	<u>57,512</u>
FUND BALANCES		
Restricted		
Stabilization by State Statute	36,379	36,379
Streets	85,842	85,842
Pursuant to Loan Requirements	27,022	27,022
Committed		
Capital Improvements	317,250	317,250
Festival	3,763	3,763
Municipal Building	24,319	24,319
LEO Special Separation Allowance	13,502	13,502
Assigned		
Parks and Recreation	-	-
Subsequent Year's Expenditures:	32,370	32,370
Unassigned	705,572	705,572
Total Fund Balances	<u>1,246,019</u>	<u>1,246,019</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,304,131</u>	

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

TOWN OF WAGRAM, NORTH CAROLINA

Balance Sheet (Continued)

Governmental Funds

June 30, 2021

	Total Governmental Funds
<hr/>	
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total Governmental Fund Balance	\$ 1,246,019
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical costs	2,534,045
Accumulated depreciation	<u>(835,123)</u>
	1,698,922
Deferred outflows of resources related to pensions are not reported in the funds	40,393
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred	
Accrued interest - taxes	14,332
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	
Ad valorem taxes	55,463
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Installment purchases	(424,975)
Total pension liability	(69,089)
Compensated absences	(6,571)
Net Pension Liability	(32,454)
Deferred inflows of resources related to pensions are not reported in the funds	<u>(4,070)</u>
Net position of governmental activities.	<u>\$ 2,517,970</u>

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

	Major Funds		Total
	General Fund		Governmental Funds
Revenues			
Ad Valorem Taxes	\$ 201,009	\$	201,009
Other Taxes and Licenses	-		-
Unrestricted Intergovernmental	135,360		135,360
Restricted Intergovernmental	51,424		51,424
Permits and Fees	210		210
Sales and Services	57,279		57,279
Investment Earnings	530		530
Miscellaneous	5,756		5,756
Total Revenues	451,568		451,568
Expenditures			
Current			
Administration	80,969		80,969
Nutrition Site	2,361		2,361
Police	82,161		82,161
Fire	9,000		9,000
Street Department	84,517		84,517
Powell Bill	17,337		17,337
Parks and Recreation	-		-
Debt Service			
Principal	9,079		9,079
Interest and Other charges	17,943		17,943
Capital Outlay			
Street Department	-		-
Total Expenditures	303,367		303,367
Excess (Deficiency) of Revenues Over Expenditures	148,201		148,201
Other Financing Sources (Uses)			
Transfers from Other Funds	20,000		20,000
Transfers to Other Funds	-		-
Total Other Financing Sources (Uses)	20,000		20,000
Net Change in Fund Balance	168,201		168,201
Fund Balance - Beginning of Year	1,077,818		1,077,818
Fund Balance - End of Year	\$ 1,246,019	\$	1,246,019

TOWN OF WAGRAM, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Governmental Funds

For the Year Ended June 30, 2021

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

Net changes in fund balances - total governmental funds	\$	168,201
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures which were capitalized	-
Depreciation expense	(57,090)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	8,043
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Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities	-
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Change in unavailable revenue for tax revenues	1,214
Interest earned on ad valorem taxes	(6,346)

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.

Debt issuance	-
Debt retirement	9,079

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:

Pension Expense	(16,448)
Compensated absences	(1,761)

Total changes in net position of governmental activities	\$	104,892
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TOWN OF WAGRAM, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad Valorem Taxes	\$ 176,100	\$ 176,100	\$ 201,009	\$ 24,909
Unrestricted Intergovernmental	111,550	111,550	135,360	23,810
Restricted Intergovernmental	28,000	46,024	51,424	5,400
Permits and Fees	-	145	210	65
Sales and Services	55,000	55,000	57,279	2,279
Investment Earnings	-	1,800	530	(1,270)
Miscellaneous	11,195	8,700	5,756	(2,944)
Total Revenues	381,845	399,319	451,568	52,249
Expenditures				
Administration	127,571	100,846	107,991	(7,145)
Nutrition Site	38,200	38,200	2,361	35,839
Police	135,656	150,130	82,161	67,969
Fire	9,000	9,000	9,000	-
Street Department	110,930	110,930	84,517	26,413
Powell Bill	28,000	28,000	17,337	10,663
Total Expenditures	449,357	437,106	303,367	133,739
Revenues Over (Under) Expenditures	(67,512)	(37,787)	148,201	185,988
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	(29,725)	(2,702)	27,023
Total Other Financing Sources (Uses)	-	(29,725)	(2,702)	27,023
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(67,512)	(67,512)	145,499	213,011
Appropriated Fund Balance	67,512	67,512	-	(67,512)
Net Change in Fund Balance	\$ -	\$ -	145,499	\$ 145,499
Fund Balance - Beginning of Year			755,188	
Fund Balance - End of Year			\$ 900,687	

TOWN OF WAGRAM, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)

Budget and Actual

For the Year Ended June 30, 2021

Fund Balance - End of Year	\$ 900,687
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A legally budgeted Capital Improvement Fund is consolidated into the General Fund for reporting purposes:

Transfer from the General Fund	-
Transfer from the Water and Sewer Fund	20,000
Fund Balance - Beginning	297,250
	<u>317,250</u>

A legally budgeted Festival Fund is consolidated into the General Fund for reporting purposes:

Miscellaneous Income	-
Festival Expenditures	-
Transfer from the General Fund	-
Fund Balance - Beginning	3,763
	<u>3,763</u>

A legally budgeted Municipal Building Reserve Fund is consolidated into the General Fund for reporting purposes:

Transfer from the General Fund	2,702
Fund Balance - Beginning	21,617
	<u>24,319</u>

Fund Balance - End of Year (Consolidated)	\$ 1,246,019
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TOWN OF WAGRAM, NORTH CAROLINA

Statement of Fund Net Position

Proprietary Fund

June 30, 2021

	Water and Sewer Fund
	<hr/>
ASSETS	
Current Assets	
Cash and Investments	\$ 454,718
Accounts Receivable (net)	16,672
Restricted Cash and Investments	26,072
Total Current Assets	<hr/> 497,462 <hr/>
Noncurrent Assets	
Capital Assets	
Land, Nondepreciable Improvements, and Construction in Progress	4,375
Other Capital Assets, Net of Depreciation	2,970,736
Total Capital Assets	<hr/> 2,975,111 <hr/>
Total Noncurrent Assets	<hr/> 2,975,111 <hr/>
Total Assets	<hr/> 3,472,573 <hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Deferrals	9,299
Total Deferred Outflows of Resources	<hr/> \$ 9,299 <hr/>

TOWN OF WAGRAM, NORTH CAROLINA
Statement of Fund Net Position (Continued)
Proprietary Fund
June 30, 2021

	Water and Sewer Fund
LIABILITIES	
Current Liabilities	
Accounts Payable and	
Accrued Liabilities	\$ -
Customer Deposits	26,072
Total Current Liabilities	<u>26,072</u>
Noncurrent Liabilities	
Net Pension Liability	15,787
Compensated Absences Payable	3,656
Total Noncurrent Liabilities	<u>19,443</u>
Total Liabilities	<u>45,515</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Deferrals	1,183
Total Deferred Inflows of Resources	<u>1,183</u>
NET POSITION	
Net Investment in Capital Assets	2,975,111
Unrestricted	460,063
Total Net Position	<u><u>\$ 3,435,174</u></u>

TOWN OF WAGRAM

TOWN OF WAGRAM, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Fund

For the Year Ended June 30, 2021

	Water and Sewer Fund
Operating Revenues	
Water Charges	\$ 121,031
Sewer Charges	118,348
Water and Sewer Taps	3,780
Penalties and Interest	5,690
Miscellaneous	1,949
Total Operating Revenues	<u>250,798</u>
Operating Expenses	
Water Operations	94,526
Sewer Operations	102,737
Depreciation	98,909
Total Operating Expenses	<u>296,172</u>
Operating Income (Loss)	<u>(45,374)</u>
Nonoperating Revenues (Expenses)	
Investment Earnings	335
Interest Expense	-
Total Nonoperating Revenues (Expenses)	<u>335</u>
Total Income (Loss) Before Transfers	(45,039)
Transfers to Other Funds	<u>(20,000)</u>
Change in Net Position	(65,039)
Net Position - Beginning of Year	<u>3,500,213</u>
Net Position - End of Year	<u><u>\$ 3,435,174</u></u>

TOWN OF WAGRAM, NORTH CAROLINA

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2021

	Water and Sewer Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Users	\$ 253,125
Cash Paid for Goods and Services	(122,842)
Cash Paid to or on Behalf of Employees for Services	(72,576)
Customer Deposits Received	4,840
Customer Deposits Returned	(4,180)
Net Cash Provided (Used) by Operating Activities	<u>58,367</u>
Cash Flows from Noncapital Financing Activities	
Transfers out	<u>(20,000)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	-
Interest Paid on Bond Obligations and Equipment Contracts	-
Principal Paid on Bond Obligations and Equipment Contracts	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>335</u>
Net Increase(Decrease) in Cash and Cash Equivalents	38,702
Cash and Cash Equivalents - Beginning of Year	<u>442,088</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 480,790</u></u>

TOWN OF WAGRAM, NORTH CAROLINA

Statement of Cash Flows (Continued)

Proprietary Fund

For the Year Ended June 30, 2021

	Water and Sewer Fund
<hr/>	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
 Operating Income (Loss)	 \$ (45,374)
<hr/>	
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation	98,909
Changes in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	2,327
(Increase) Decrease in Deferred Outflows of Resources for Pensions	(525)
Increase (Decrease) in Net Pension Liability	726
Increase (Decrease) in Deferred Inflows of Resources for Pensions	668
Increase (Decrease) in Accounts Payable and Accrued Liabilities	-
Increase (Decrease) in Customer Deposits	660
Increase (Decrease) in Compensated Absences Payable	976
Total Adjustments	103,741
 Net Cash Provided (Used) by Operating Activities	 \$ 58,367

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Basis of Presentation, Basis of Accounting

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

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. 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 items are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued)

The Town reports the following special revenue funds consolidated with the General Fund:

Capital Improvement Fund – This fund is used to account for funds held for future capital expenditures.

Festival Funds – This fund is used to account for the Town’s annual festival.

Municipal Building Reserve Fund – This fund is used to account for funds held for future repairs and maintenance of the municipal building.

The Town reports the following major enterprise funds:

Water and Sewer Fund – This fund is used to account for the Town’s water and sewer operations.

C. Measurement Focus, Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers 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. Issuance 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 revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Wagram because the tax is levied by Scotland 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 is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, Capital Reserve and the Enterprise Funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for Capital Project Funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$1,000. All amendments must be approved by the governing board. The budget ordinance 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. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

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

State law [G.S.159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are generally reported at fair value. The NCCMT – Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Powell bill funds are classified as restricted cash because they can be expended only for the purposes outlined in per G.S.136-41.1 through 136-41.4. Money pursuant to loan requirements are classified as restricted because of the requirements set forth by the USDA in the loan contract. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

3. Restricted Assets (Continued)

Restricted Cash

Governmental Activities	
General Fund	
Streets	\$ 85,842
Pursuant to Loan Requirements	<u>27,022</u>
Total Governmental Activities	<u>112,864</u>
Business-type Activities	
Water and Sewer Fund	
Customer Deposits	<u>26,072</u>
Total Restricted Cash	<u>\$ 138,936</u>

4. Ad Valorem Taxes Receivable

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

5. Allowances for Doubtful Accounts

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

6. Inventories

The inventories of the Town consist of expendable supplies that are recorded as expenditures when purchased.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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 of the Town are depreciated on a straight-line basis over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and Improvements	40
Infrastructure	50
Vehicles	5
Furniture and Equipment	5-10

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals. 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 three items that meet the criterion for this category – prepaid taxes, property taxes receivable, and pension deferrals.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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 occur. 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 or not, are reported as debt service expenditures.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

10. Compensated Absences

The vacation policies of the Town provide 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 sick leave policies of the Town provide 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.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

11. Net Position/Fund Balances (Continued)

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

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

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Wagram'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 Improvements – portion of fund balance assigned by the Board for capital improvements.

Committed for Festival – portion of fund balance assigned by the Board for the Town festival.

Committed for Municipal Building – portion of fund balance assigned by the Board for repairs and maintenance of the municipal building.

Committed for LEO pension obligation – portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

Assigned fund balance – portion of fund balance that Town of Wagram intends to use for specific purposes.

Assigned for Parks and Recreation – portion of fund balance that has been budgeted by the Board for construction of a public baseball field.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

11. Net Position/Fund Balances (Continued)

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

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

12. Defined Benefit Cost-Sharing Plans

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 Government 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 Wagram's employer contributions are recognized when due and the Town of Wagram 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.

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All of the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Town's agent 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

1. Deposits (Continued)

At June 30, 2021, the Town's deposits had a carrying amount of \$1,693,004 and a bank balance of \$1,713,883. Of the bank balance, \$260,988 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The Town's petty cash fund totaled \$75.

2. Receivables – Allowances for Doubtful Accounts

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

Fund	06/30/2021
General Fund	
Property Taxes	\$ 6,000
Accounts Receivable	1,000
Enterprise Funds	
Accounts Receivable	6,000
Total	\$ <u>13,000</u>

3. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,301	\$ -	\$ -	\$ 5,301
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>5,301</u>	<u>-</u>	<u>-</u>	<u>5,301</u>
Capital assets being depreciated:				
Buildings and Improvements	2,244,754	-	-	2,244,754
Vehicles	168,390	-	-	168,390
Equipment	115,600	-	-	115,600
Total capital assets being depreciated	<u>2,528,744</u>	<u>-</u>	<u>-</u>	<u>2,528,744</u>
Less accumulated depreciation for:				
Buildings and Improvements	501,835	55,390	-	557,225
Vehicles	160,598	1,700	-	162,298
Equipment	115,600	-	-	115,600
Total accumulated depreciation	<u>778,033</u>	<u>\$ 57,090</u>	<u>\$ -</u>	<u>835,123</u>
Total capital assets being depreciated, net	<u>1,750,711</u>			<u>1,693,621</u>
Governmental activity capital assets, net	<u>\$ 1,756,012</u>			<u>\$ 1,698,922</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

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

	<u>Depreciation</u>
Administration	\$ 10,384
Parks & Recreation	37,052
Police Department	7,954
Powell Bill	-
Street Department	1,700
Total	<u>\$ 57,090</u>

Business-Type Activities: *Water and Sewer Fund*

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 4,375	\$ -	\$ -	\$ 4,375
Construction in Progress	-	-	-	-
Total capital assets not being Depreciated	<u>4,375</u>	<u>-</u>	<u>-</u>	<u>4,375</u>
Capital assets being depreciated:				
Buildings and Improvements	-	-	-	-
Vehicles	48,671	-	-	48,671
Equipment	59,384	-	-	59,384
Infrastructure	4,757,339	-	-	4,757,339
Total capital assets being Depreciated	<u>4,865,394</u>	<u>-</u>	<u>-</u>	<u>4,865,394</u>
Less accumulated depreciation for:				
Buildings and Improvements	-	-	-	-
Vehicles	45,786	2,885	-	48,671
Equipment	47,124	2,676	-	49,800
Infrastructure	1,702,839	93,348	-	1,796,187
Total accumulated depreciation	<u>1,795,749</u>	<u>\$ 98,909</u>	<u>\$ -</u>	<u>1,894,658</u>
Total capital assets being depreciated, net	<u>3,069,645</u>			<u>2,970,736</u>
Water and Sewer Fund capital assets, net	<u>\$ 3,074,020</u>			<u>\$ 2,975,111</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Wagram 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 government 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 serves 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, or 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.

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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Wagram employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Wagram's contractually required contribution rate for the year ended June 30, 2021, was 10.90% of compensation for law enforcement officers and 10.15% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Wagram were \$11,950 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 \$48,241 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 (measurement date), the Town's proportion was 0.00135%, which was a decrease of 0.00034% from its proportion measured as of June 30, 2019.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

For the year ended June 30, 2021, the Town recognized pension expense of \$14,627. 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	\$ 6,092	\$ -
Changes of assumptions	3,590	-
Net difference between projected and actual earnings on pension plan investments	6,789	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	21	3,618
Town contributions subsequent to the measurement date	11,950	-
Total	<u>\$ 28,442</u>	<u>\$ 3,618</u>

\$11,950 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 outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ 3,460
2023	4,978
2024	2,426
2025	2,010
2026	-
Thereafter	-
	<u>\$ 12,874</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:

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

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

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

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

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

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 97,876	\$ 48,241	\$ 6,991

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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

The Town of Wagram 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 years 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 .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 of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>1</u>
Total	<u>1</u>

2. 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 meets the criteria which are outlined in GASB Statement 73.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

3. 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.

4. Contributions

The Town is required by Article 12D 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.

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 \$69,089. 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 \$6,644.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Contributions (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,569	\$ -
Changes of assumptions	19,681	1,635
Town benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	\$ 21,250	\$ 1,635

\$-0- reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 3,429
2023	3,429
2024	3,462
2025	3,374
2026	3,248
Thereafter	2,673
	<u>\$ 19,615</u>

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 1-percentage point lower (.93 percent) or 1-percentage point higher (2.93 percent) than the current rate:

	1% Decrease (.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 75,709	\$ 69,089	\$ 62,922

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Contributions (Continued)

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance		2021
Beginning balance	\$	45,197
Service Cost		1,698
Interest on the total pension liability		1,473
Changes of benefit terms		-
Differences between expected and actual experience in the measurement of the total pension liability		728
Changes of assumptions or other inputs		19,993
Benefit payments		-
Other changes		-
Ending balance of the total pension liability	\$	69,089

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 five year period ending December 31, 2019.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 14,627	\$ 6,644	\$ 21,271
Pension Liability	48,241	21,250	69,491
Proportionate share of the net pension liability	0.00135%	n/a	

Deferred Outflows of Resources

Differences between expected and actual experience	6,092	1,569	7,661
Changes of assumptions	3,590	19,681	23,271
Net difference between projected and actual earnings on plan investments	6,789	-	6,789
Changes in proportion and differences between contributions and proportionate share of contributions	21	-	21
Benefit payments and administrative costs paid subsequent to the measurement date	11,950	-	11,950

Deferred Inflows of Resources

Differences between expected and actual experience	-	-	-
Changes of assumptions	-	1,635	1,635
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,618	-	3,618

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to 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 for the State of North Carolina. The State's Annual Comprehensive Financial Report 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers (Continued)

Funding Policy. Article 12E of G.S. Chapter 143 requires that the Town contribute each month an amount equal to 5 percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$2,228, which consisted of \$2,228 from the Town and \$0 from the law enforcement officers. No amounts were forfeited.

All Other Employees

Plan Description. All other employees have the option of contributing to the Supplemental Retirement Plan of North Carolina 401(k). This plan is a defined contribution pension plan and participation is optional.

Funding Policy. The Town contributes 2.5 percent of employee's monthly compensation to the plan, and the employees may make voluntary contributions. For the year ended June 30, 2021, total contributions to the plan equaled \$1,739, which consisted of \$1,739 from the Town, and \$0 from the employees. No amounts were forfeited.

2. 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

3. Deferred Outflows and Inflows of Resources

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

Contributions to Pension Plan in Current Fiscal Year	\$	11,950
Differences between expected and actual experience		7,661
Changes of assumptions		23,271
Net difference between projected and actual		6,789
Changes in proportion and differences between employer contributions and proportionate share of contributions		21
Charge on refunding		-
Total	\$	<u>49,692</u>

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 2,049	\$ 2,049
Taxes receivable (General Fund)	-	55,463
Changes in assumptions	1,635	-
Differences between expected and actual experience	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,618	-
Total	\$ <u>7,302</u>	\$ <u>57,512</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

4. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years. The Town carries no flood insurance through the National Flood Insurance Plan (NFIP), as they are considered to be in a low-risk area. 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 individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

5. Claims, Judgments and Contingent Liabilities

At June 30, 2021, the Town did not have any litigation pending.

6. Long-Term Obligations

a. Installment Purchases

In July 2008, the Town entered into a \$525,000 installment agreement with USDA to finance the construction of the Town Hall and Police Department. The financing contract requires principal payments beginning in the fiscal year 2009 with an interest rate of 4.125%. The principal balance at June 30, 2021 was \$424,975.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

a. Installment Purchases (Continued)

For Town of Wagram, the future minimum payments as of June 30, 2021, including \$277,033 of interest, are:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 9,453	\$ 17,569	\$ -	\$ -
2023	9,843	17,179	-	-
2024	10,249	16,773	-	-
2025	10,672	16,350	-	-
2026	11,112	15,910	-	-
2027-2031	62,827	72,283	-	-
2032-2036	76,901	58,209	-	-
2037-2041	94,126	40,984	-	-
2042-2046	115,208	19,902	-	-
2047	24,584	1,874	-	-
Total	\$ 424,975	\$ 277,033	\$ -	\$ -

b. Changes in Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Installment purchase	\$ 434,054	\$ -	\$ 9,079	\$ 424,975	\$ 9,453
Compensated absences	4,810	1,761	-	6,571	-
Net Pension Liability (LGERS)	31,092	1,362	-	32,454	-
Total Pension Liability (LEO)	45,197	23,892	-	69,089	-
Total governmental activities	\$ 515,153	\$ 27,015	\$ 9,079	\$ 533,089	\$ 9,453
Business-type activities:					
Compensated absences	\$ 2,680	\$ 976	\$ -	\$ 3,656	\$ -
Net Pension Liability (LGERS)	15,061	726	-	15,787	-
Total business-type activities	\$ 17,741	\$ 1,702	\$ -	\$ 19,443	\$ -

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

C. Interfund Balances and Activity

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

From the General Fund to the Municipal Building Reserve Fund	\$ 2,702
From the Water and Sewer Fund to the Capital Improvement Fund	20,000
Total	<u>\$ 22,702</u>

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 provided matching funds for various grant programs.

D. Net Investment in Capital Assets

	Governmental	Business-Type
Capital Assets	\$ 1,698,922	\$ 2,975,111
less: long-term debt	424,975	-
add: unexpended debt proceeds	-	-
Net investment in capital asset	<u>\$ 1,273,947</u>	<u>\$ 2,975,111</u>

E. Fund Balance

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

<i>Total fund balance – General Fund</i>	\$ 1,246,019
Less:	
Stabilization by State Statute	36,379
Streets – Powell Bill	85,842
Pursuant to Loan Requirements	27,022
<i>Committed</i>	
Festival	3,763
Capital Improvements	317,250
Municipal Building	24,319
Leo Special Separation Allowance	13,502
<i>Assigned</i>	
Appropriated Fund Balance in 2021-2022 budget	32,370
Remaining Fund Balance	705,572

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<i>Encumbrances</i>	General Fund	Non-Major Funds
\$ -	\$ -	\$ -

III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Federal and State Assisted Programs

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

IV. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 3, 2021, which is the date the financial statements were available to be issued.

V. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for the administration department by \$7,145. This over-expenditure occurred mainly because of unbudgeted debt service payments. Management and the Board will more closely review the budget reports to ensure compliance in future years.

***Required Supplementary
Financial Data***

TOWN OF WAGRAM, NORTH CAROLINA
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Wagram's proportion of the net pension liability (asset) (%)	0.00135%	0.00169%	0.00192%	0.00205%	0.00214%	0.00290%	0.00292%	0.00220%
Wagram's proportion of the net pension liability (asset) (\$)	\$ 48,241	\$ 46,153	\$ 45,549	\$ 31,318	\$ 45,418	\$ 13,015	\$ (17,221)	\$ 26,518
Wagram's covered-employee payroll	\$ 111,882	\$ 131,810	\$ 137,308	\$ 138,413	\$ 135,787	\$ 157,445	\$ 148,934	\$ 154,513
Wagram's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	43.12%	35.01%	33.17%	22.63%	33.45%	8.27%	(11.56%)	17.16%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

TOWN OF WAGRAM, NORTH CAROLINA

Town of Wagram's Contributions

Required Supplementary Information

Last Eight Fiscal Years

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 11,950	\$ 10,402	\$ 10,616	\$ 10,813	\$ 10,438	\$ 9,346	\$ 11,399	\$ 10,686
Contributions in relation to the contractually required contribution	11,950	10,402	10,616	10,813	10,438	9,346	11,399	10,686
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wagram's covered employee payroll	\$ 114,092	\$ 111,882	\$ 131,810	\$ 137,308	\$ 138,413	\$ 135,787	\$ 157,445	\$ 148,934
Contributions as a percentage of covered-employee payroll	10.47%	9.30%	8.05%	7.87%	7.54%	6.88%	7.24%	7.17%

TOWN OF WAGRAM, NORTH CAROLINA
Schedule of Changes in Total Pension Liability
June 30, 2021

Law Enforcement Officers' Special Separation Allowance					
	2021	2020	2019	2018	2017
Beginning balance	\$ 45,197	\$ 39,898	\$ 38,570	\$ 32,539	\$ 31,100
Service cost	1,698	1,538	1,661	1,409	1,472
Interest on the total pension liability	1,473	1,452	1,219	1,256	1,110
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	728	607	548	418	-
Changes of assumptions or other inputs	19,993	1,702	(2,100)	2,948	(1,143)
Benefit payments	-	-	-	-	-
Other changes	-	-	-	-	-
Ending balance of the total pension liability	\$ 69,089	\$ 45,197	\$ 39,898	\$ 38,570	\$ 32,539

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

TOWN OF WAGRAM, NORTH CAROLINA

Schedule of Total Pension Liability as a Percentage of Covered Payroll

June 30, 2021

Law Enforcement Officers' Special Separation Allowance					
	2021	2020	2019	2018	2017
Total pension liability	\$ 69,089	\$ 45,197	\$ 39,898	\$ 38,570	\$ 32,539
Covered payroll	45,199	44,099	43,183	42,281	41,804
Total pension liability as a percentage of covered payroll	152.86%	102.49%	92.39%	91.22%	77.84%

Notes to the schedules:

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

TOWN OF WAGRAM

Major Governmental Funds

General Fund

TOWN OF WAGRAM, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes			
Taxes		\$ 199,235	
Penalties and Interest		1,774	
Total Ad Valorem Taxes	\$ 176,100	201,009	\$ 24,909
Other Taxes and Licenses			
Privilege Licenses		-	
Total Other Taxes and Licenses	-	-	-
Unrestricted Intergovernmental			
Local Option Sales Tax		101,758	
Utility Sales Tax		25,402	
Telecommunications Tax		4,738	
Beer and Wine Tax		3,462	
Total Unrestricted Intergovernmental	111,550	135,360	23,810
Restricted Intergovernmental			
Powell Bill Allocation		26,557	
Grants		24,251	
Solid Waste Disposal Tax		616	
Total Restricted Intergovernmental	46,024	51,424	5,400
Permits and Fees			
Zoning Permits		210	
Total Permits and Fees	145	210	65
Sales and Services			
Solid Waste		57,279	
Total Sales and Services	55,000	57,279	2,279
Investment Earnings			
General		486	
Powell Bill		44	
Total Investment Earnings	1,800	530	(1,270)
Miscellaneous			
Other		5,756	
Total Miscellaneous	8,700	5,756	(2,944)
Total Revenues	399,319	451,568	52,249

TOWN OF WAGRAM, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Administration			
Salaries, Wages and Employee Benefits		\$ 52,518	
Other Expenditures		28,451	
Debt Service:			
Principal Retirement		9,079	
Interest and Other Charges		17,943	
Total Administration	\$ 100,846	107,991	\$ (7,145)
Nutrition Site			
Other Expenditures		2,361	
Total Nutrition Site	38,200	2,361	35,839
Police			
Salaries, Wages and Employee Benefits		62,630	
Other Expenditures		17,724	
Total Police	150,130	82,161	67,969
Fire			
Other Expenditures		9,000	
Total Fire and Rescue	9,000	9,000	-
Street Department			
Salaries, Wages and Employee Benefits		4,137	
Other Expenditures		80,380	
Capital Outlay		-	
Total Street Department	110,930	84,517	26,413
Powell Bill			
Salaries, Wages and Employee Benefits		16,137	
Other Expenditures		1,200	
Total Powell Bill	28,000	17,337	10,663
Total Expenditures	437,106	303,367	133,739

TOWN OF WAGRAM, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (37,787)	\$ 148,201	\$ 185,988
Other Financing Sources (Uses)			
Transfers In:			
Municipal Building Reserve Fund		-	
Transfers Out:			
Municipal Building Reserve Fund		(2,702)	
Capital Improvement Fund		-	
Total Other Financing Sources (Uses)	(29,725)	(2,702)	27,023
Fund Balance Appropriated	67,512	-	(67,512)
Net Change in Fund Balance	\$ -	145,499	\$ 145,499
Fund Balance - Beginning of Year		755,188	
Fund Balance - End of Year		\$ 900,687	

Special Revenue Funds
Consolidated with General Fund

TOWN OF WAGRAM, NORTH CAROLINA

Capital Improvement Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Other Financing Sources			
Transfers in:			
General Fund	-	-	-
Water and Sewer Fund	-	20,000	-
Total Other Financing Sources	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Appropriated Fund Balance	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>20,000</u>	<u>\$ 20,000</u>
Fund Balance - Beginning of Year		<u>297,250</u>	
Fund Balance - End of Year		<u>\$ 317,250</u>	

TOWN OF WAGRAM, NORTH CAROLINA

Festival Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous			
Other	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
Festival			
Other	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other Financing Sources			
Transfers in:			
General Fund	-	-	-
Total Other Financing Sources	-	-	-
Appropriated Fund Balance	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year		<u>3,763</u>	
Fund Balance - End of Year		<u>\$ 3,763</u>	

TOWN OF WAGRAM, NORTH CAROLINA

Municipal Building Reserve Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Other Financing Sources			
Transfers in:			
General Fund	2,702	2,702	-
Total Other Financing Sources	<u>2,702</u>	<u>2,702</u>	<u>-</u>
Appropriated Fund Balance	<u>(2,702)</u>	<u>-</u>	<u>2,702</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>2,702</u>	<u>\$ 2,702</u>
Fund Balance - Beginning of Year		<u>21,617</u>	
Fund Balance - End of Year		<u>\$ 24,319</u>	

Enterprise Funds

TOWN OF WAGRAM, NORTH CAROLINA

Water and Sewer Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water Charges		\$ 121,031	
Sewer Charges		118,348	
Water and Sewer Taps		3,780	
Penalties and Interest		5,690	
Miscellaneous		1,949	
Investment Earnings		335	
Total Revenues	\$ 250,785	251,133	\$ 348
Expenditures			
Water Operations			
Salaries and Employee Benefits		53,711	
Other Expenditures		39,320	
Capital Outlay		-	
Total Water Operations	133,949	93,031	40,918
Sewer Operations			
Salaries and Employee Benefits		20,710	
Other Expenditures		81,677	
Total Sewer Operations	114,277	102,387	11,890
Total Expenditures	248,226	195,418	52,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,559	55,715	53,156
Other Financing Sources (Uses)			
Appropriated Fund Balance	17,441	-	(17,441)
Transfers Out:			
Capital Improvement Fund	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	(2,559)	(20,000)	(17,441)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ 35,715	\$ 35,715

TOWN OF WAGRAM, NORTH CAROLINA

Water and Sewer Fund

Schedule of Revenues and Expenditures (Continued)

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
<hr/>			
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		\$ 35,715	
Reconciling Items:			
Depreciation Expense		(98,909)	
Capital Outlay		-	
Principal Retirement		-	
Compensated Absences		(976)	
Increase in Deferred Outflows of Resources - Pensions		525	
Increase in Net Pension Liability		(726)	
Increase in Deferred Inflows of Resources - Pensions		(668)	
Total Reconciling Items		(100,754)	
Change in Net Position		\$ (65,039)	

TOWN OF WAGRAM

Other Schedules

TOWN OF WAGRAM, NORTH CAROLINA

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2021

Fiscal Year	Uncollected Balance 7-1-20	Additions and Adjustments	Collections and Credits	Uncollected Balance 6-30-21
2020-21	\$ -	\$ 193,225	\$ 180,306	\$ 12,919
2019-20	19,051	-	11,461	7,590
2018-19	9,448	-	2,305	7,143
2017-18	8,367	-	1,300	7,067
2016-17	7,123	-	1,622	5,501
2015-16	5,908	-	602	5,306
2014-15	4,824	-	287	4,537
2013-14	4,601	-	207	4,394
2012-13	3,798	-	288	3,510
2011-12	3,597	-	101	3,496
2010-11	2,092	-	2,092	-
	<u>\$ 68,809</u>	<u>\$ 193,225</u>	<u>\$ 200,571</u>	<u>61,463</u>
Less: Allowance for Uncollectible Accounts:				
General Fund				<u>6,000</u>
Ad Valorem Taxes Receivable - Net				<u><u>\$ 55,463</u></u>
Reconciliation with Revenues				
Ad Valorem Taxes - General Fund			\$	201,009
Reconciling Items:				
Interest and Penalties Collected				(1,774)
Taxes Released/Adjustments				(666)
Taxes Written Off				<u>2,002</u>
Total Collections and Credits			\$	<u><u>200,571</u></u>

TOWN OF WAGRAM, NORTH CAROLINA

Analysis of Current Tax Levy

Town-Wide Levy

June 30, 2021

	Town-Wide		Total Levy	
	Property Valuation	Rate Per \$100	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:				
Property Taxed at				
Current Year's Rate	\$ 29,749,428	0.650	\$ 193,372	\$ 159,282
Penalties	-		519	208
	<u>29,749,428</u>		<u>193,891</u>	<u>159,490</u>
Discoveries:				
Current Year Taxes	-	0.650	-	-
Penalties	-		-	-
	<u>-</u>		<u>-</u>	<u>-</u>
Abatements:				
Property Taxes -				
Current Year's Rate	(102,457)	0.650	\$ (666)	(666)
Penalties	-		-	-
	<u>-</u>		<u>-</u>	<u>-</u>
Total Property Valuations	<u><u>\$ 29,646,971</u></u>			
Net Levy			193,225	158,824
Uncollected Taxes at June 30, 2021			12,919	12,919
Current Year's Taxes Collected			<u><u>\$ 180,306</u></u>	<u><u>\$ 145,905</u></u>
Current Levy Collection Percentage			<u><u>93.31%</u></u>	<u><u>91.87%</u></u>
			<u><u>100.00%</u></u>	

TOWN OF WAGRAM