



City of Eden

Financial Statements

June 30, 2020

**Rouse, Rouse, Rouse & Gardner, LLP
Certified Public Accountants
Eden, North Carolina**

City of Eden, North Carolina
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COUNCIL MEMBERS

Neville Hall, Mayor
Darryl Carter, Mayor Pro Tem

Bernie Moore
Jerry Epps
Bruce Nooe

Angela Hampton
Gerald Ellis
Philip Hunnicutt

OFFICIALS

Terry A. Shelton
Deanna F. Hunt
Erin B. Gilley
Tammie B. McMichael

Interim City Manager
City Clerk
City Attorney
Director of Finance
and Personnel

Rouse, Rouse, Rouse & Gardner, L.L.P.

Certified Public Accountants



R. Rex Rouse, Jr., CPA
Judy G. Rouse, CPA
Victor B. Rouse, CPA/PFS
Trevor C. Gardner, CPA

Independent Auditor's Report

To the Honorable Mayor
and Members of the City Council
Eden, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Eden, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the City of Eden ABC Board were not audited in accordance with Government Auditing Standards.

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 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Eden, North Carolina as of June 30, 2020, 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 Management's Discussion and Analysis on pages 4 through 14, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 90 and 91, respectively, the Firefighters' and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability on page 92, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes In Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 93 and 94 and the Other Post Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 95 are to 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.

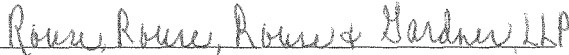
Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Eden, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules, and Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act, 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, other schedules, and the Schedule of Expenditures of Federal and State Awards 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, Schedule of Expenditures of Federal and State Awards, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020 on our consideration of City of Eden’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Eden’s internal control over financial reporting and compliance.


Rouse, Rouse, Rouse & Gardner, LLP
Eden, North Carolina
November 6, 2020

Management's Discussion and Analysis

As management of the City of Eden, we offer readers of the City of Eden's financial statements this narrative overview and analysis of the financial activities of the City of Eden for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

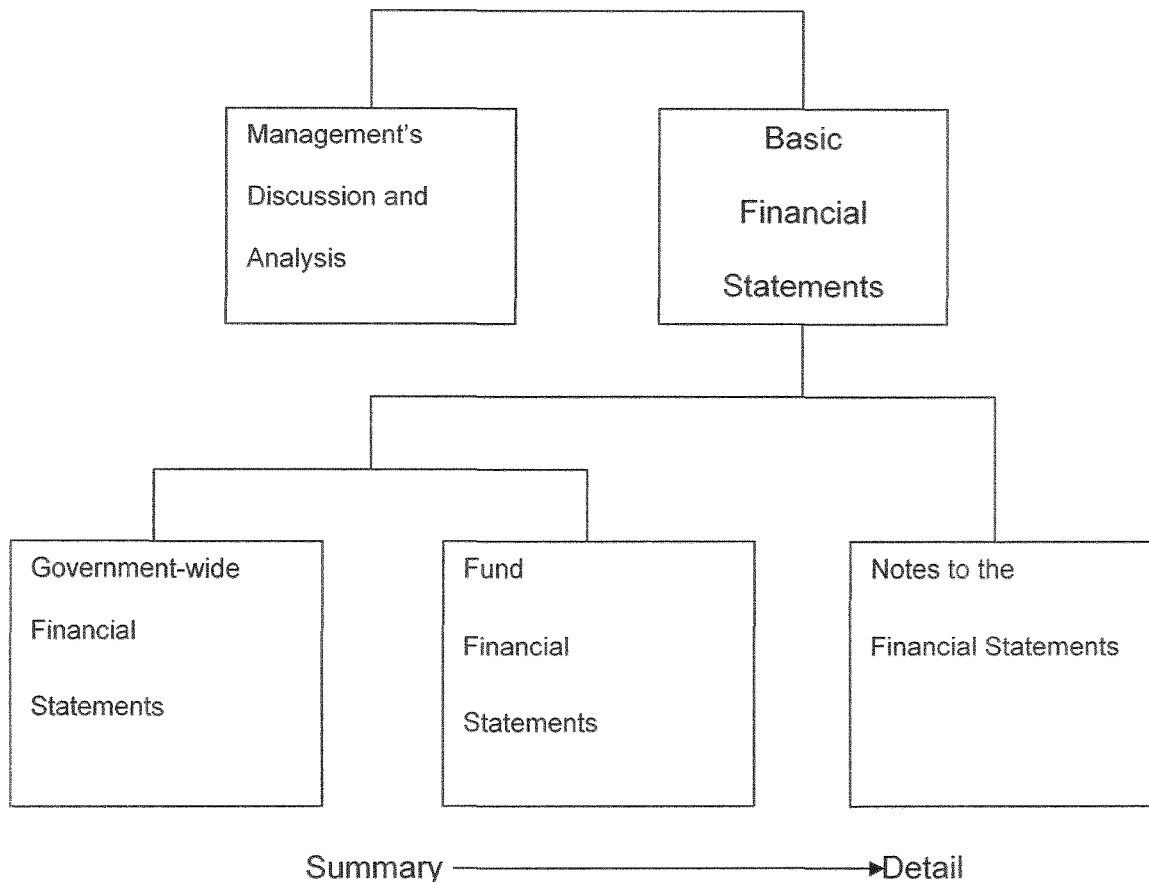
- The assets and deferred outflows of resources of the City of Eden exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$77,852,888 (Net Position).
- The government's total net position increased by \$3,984,517 primarily due to the increase in business-type activities net position.
- On June 30, 2020, the governmental funds reported combined ending fund balances of \$10,777,254, an increase of \$546,843 in comparison with the prior year. Approximately 65.88% of this total amount, or \$7,100,038, is available for spending (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,100,038, or 44.31% of the total general fund expenditures for the fiscal year.
- The City of Eden's total liabilities increased by \$4,192,020 from \$33,092,062 to \$37,284,082 during the current fiscal year. The key factor in this change was the increase in long term liabilities.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the notes. These notes explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary

information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City'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 City's financial status as a whole.

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water and sewer offered by the City of Eden. The final category is the component unit. Although legally separate from the City, the ABC Board is important to the City because the City exercises control over the Board by appointing its members and because the Board is required to distribute its profits to the City.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the City'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 City of Eden, 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 City's budget ordinance. All of the funds of City of Eden 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 City'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 City'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 City of Eden 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 City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City 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 City Council; 2) the final budget as amended by the City Council; 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

City of Eden has two different kinds of proprietary funds:

Enterprise Funds

Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Eden uses enterprise funds to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Internal Service Funds

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the functions of City of Eden. The City uses an internal service fund to account for one activity – its self-insurance operations. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Notes to the Financial Statements & Other Information

The notes to the financial statements 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 29 - 88 of this report.

In addition to the basic financial statements and accompanying notes, this audit report includes certain required supplementary information concerning the City of Eden's progress in funding its obligation to provide pension benefits and other post employee benefits to its employees.

Government-Wide Financial Analysis

The City of Eden's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	12,036,166	11,510,872	9,113,582	9,206,630	21,149,748	20,717,502
Capital assets	25,480,211	24,571,722	65,919,477	59,349,428	91,399,688	83,921,150
Deferred outflows of resources	<u>2,675,200</u>	<u>2,444,775</u>	<u>643,546</u>	<u>630,152</u>	<u>3,318,746</u>	<u>3,074,927</u>
Total assets and deferred outflows of resources	<u>40,191,577</u>	<u>38,527,369</u>	<u>75,676,605</u>	<u>69,186,210</u>	<u>115,868,182</u>	<u>107,713,579</u>
Long-term liabilities	15,436,779	13,637,339	15,592,050	14,090,920	31,028,829	27,728,259
Other liabilities	2,219,203	2,305,081	4,036,050	3,058,722	6,255,253	5,363,803
Deferred inflows of resources	<u>609,749</u>	<u>621,436</u>	<u>121,463</u>	<u>131,710</u>	<u>731,212</u>	<u>753,146</u>
Total liabilities and deferred inflows of resources	<u>18,265,731</u>	<u>16,563,856</u>	<u>19,749,563</u>	<u>17,281,352</u>	<u>38,015,294</u>	<u>33,845,208</u>
Net Position:						
Invested in capital assets, net of related debt	20,472,046	20,093,930	50,695,327	45,406,807	71,167,373	65,500,737
Restricted	2,186,038	2,670,742			2,186,038	2,670,742
Unrestricted	<u>(732,238)</u>	<u>(801,159)</u>	<u>5,231,715</u>	<u>6,498,051</u>	<u>4,499,477</u>	<u>5,696,892</u>
Total Net Assets	<u>21,925,846</u>	<u>21,963,513</u>	<u>55,927,042</u>	<u>51,904,858</u>	<u>77,852,888</u>	<u>73,868,371</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the City of Eden exceeded liabilities and deferred inflows by \$77,852,888 as of June 30, 2020. The City's net position increased by \$3,984,517 for the fiscal year ended June 30, 2020. However, the largest portion reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any debt still outstanding that was issued to acquire those items. The City of Eden uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Eden's 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 City of Eden's net position 2.81% represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,499,477 is unrestricted.

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

- Grants from the Connect NC Grant for EPA/AOC expenditures, grants from the Economic Development Administration for Mega Park Waterline expenditures, and contributions not restricted to specific programs positively influenced the business-type activities.

City of Eden
Changes in Net Position
Figure 3

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	2,618,232	2,423,108	10,815,586	12,900,326	13,433,818	15,323,434
Operating grants and Contributions	455,267	451,846			455,267	451,846
Capital grants and Contributions	478,569	1,370,302	3,744,823	1,820,247	4,223,392	3,190,549
General revenues:						
Property taxes	6,413,487	6,054,371			6,413,487	6,054,371
Other taxes	4,295,066	4,511,261			4,295,066	4,511,261
Grants and contributions not restricted to specific programs	1,131,053	1,106,916			1,131,053	1,106,916
Other	117,562	173,559	76,541	120,870	194,103	294,429
Total revenues	15,509,236	16,091,363	14,636,950	14,841,443	30,146,186	30,932,806
Expenses:						
General government	1,822,108	1,181,589			1,822,108	1,181,589
Public safety	7,012,717	6,525,719			7,012,717	6,525,719
Transportation	1,860,616	1,852,769			1,860,616	1,852,769
Sanitation	2,019,781	1,914,298			2,019,781	1,914,298
Economic and physical development	35,794	313,606			35,794	313,606
Cultural and recreation	950,407	839,240			950,407	839,240
Public works	1,122,794	919,785			1,122,794	919,785
Special appropriations	592,841	707,673			592,841	707,673
Interest on long-term debt	129,845	94,072			129,845	94,072
Water and sewer			10,614,766	10,706,073	10,614,766	10,706,073
Total expenses	15,546,903	14,348,751	10,614,766	10,706,073	26,161,669	25,054,824
Increases (decreases) in net position	(37,667)	1,742,612	4,022,184	4,135,370	3,984,517	5,877,982
Net position-Beginning of Year	21,963,513	20,220,901	51,904,858	47,769,488	73,868,371	67,990,389
Net position-End of Year	21,925,846	21,963,513	55,927,042	51,904,858	77,852,888	73,868,371

Governmental activities. Governmental activities decreased the City's net position by (\$37,667). Key element of this decrease is as follows:

- A decrease in capital grants and contributions, other taxes and unrestricted investment earnings.

Business-type activities: Business-type activities increased the City of Eden's net position by \$4,022,184. Key elements of this increase are as follows:

- An increase in capital grants and contributions.

Financial Analysis of the City's Funds

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

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

The general fund is the chief operating fund of the City of Eden. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,100,038 while total fund balance reached \$10,651,957. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 44.31% of total General Fund expenditures, while total fund balance represents 66.48% of that same amount.

At June 30, 2020, the governmental funds of City of Eden reported a combined fund balance of \$10,777,254 a 5.35% increase compared with last year. Included in this change in fund balance is an increase in fund balance in the General Fund in the amount of \$462,115 and a increase in other governmental funds of \$84,728.

General Fund Budgetary Highlights: During the fiscal year, the City 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 greater than the budgeted amounts primarily because of increases in ad valorem taxes, franchise taxes, permits and fees, and miscellaneous revenues.

Proprietary Funds. The City of Eden's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$5,231,715. The total increase in net position for the fund was \$4,022,184. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Eden's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City of Eden's investment in capital assets for its governmental and business-type activities as of June 30, 2020 totals \$91,399,688. These assets include buildings, roads, and bridges, land, machinery and equipment, park facilities, and vehicles.

City of Eden's Capital Assets

Figure 4
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	1,325,229	1,306,702	1,826,960	1,786,182	3,152,189	3,092,884
Buildings and systems	4,165,434	3,655,270	47,706,637	49,071,439	51,872,071	52,726,709
Improvements other than buildings	5,173,867	4,145,312			5,173,867	4,145,312
Machinery and equipment	854,195	629,028	2,749,518	3,497,564	3,603,713	4,126,592
Infrastructure	12,121,694	12,021,311			12,121,694	12,021,311
Vehicles and motorized equipment	1,705,713	1,763,814	457,732	238,356	2,163,445	2,002,170
Construction in progress	<u>134,080</u>	<u>1,050,285</u>	<u>13,178,629</u>	<u>4,755,887</u>	<u>13,312,709</u>	<u>5,806,172</u>
Total	<u>25,480,212</u>	<u>24,571,722</u>	<u>65,919,476</u>	<u>59,349,428</u>	<u>91,399,688</u>	<u>83,921,150</u>

Additional information on the City's capital assets can be found on pages 41 and 42 in the notes to the financial statements.

Long-term Debt. As of June 30, 2020, the City of Eden had total bonded debt outstanding of \$0.

City of Eden's Outstanding Debt
General Obligation Bonds

The City of Eden's total debt increased by \$4,192,020 from \$33,092,062 to \$37,284,082 during the past fiscal year.

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 City of Eden is \$73,212,687.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: Property taxes (benefiting from the economic growth) and revenues from operating charges for services are expected to lead the increase in budgeted revenue. The City will use these increases in revenues to finance programs currently in place.

Business-type Activities: Charges for water and sewer are expected to lead the increase in budgeted revenue.

Requests for Information

This report is designed to provide an overview of the City'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 Director of Finance & Personnel or City Manager, City of Eden, PO Box 70, Eden, NC 27289.

City of Eden
Statement of Net Position
June 30, 2020

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	9,648,439	5,284,734	14,933,173	403,092
Cash and cash equivalents - restricted deposits	69,922	348,610	418,532	
Taxes receivable, net of allowance for uncollectible	63,896		63,896	
Unbilled water and sewer receivables		1,135,813	1,135,813	
Customer receivables, net of allowance for uncollectibles	653,043	495,507	1,148,550	
Due from other governmental agencies	1,302,669		1,302,669	
Accrued interest receivable	3,418		3,418	
Due from component unit	24,151		24,151	
Other receivables		1,568,073	1,568,073	
Internal balance	11,447	(11,447)	-	
Inventories	215,943	289,047	504,990	122,200
Prepaid items	43,238	3,245	46,483	5,715
Total Current Assets	12,036,166	9,113,582	21,149,748	531,007
Capital Assets:				
Land and construction in progress	1,459,309	15,005,589	16,464,898	95,335
Other capital assets, net of depreciation	24,020,902	50,913,888	74,934,790	47,028
Total Capital Assets	25,480,211	65,919,477	91,399,688	142,363
Total Assets	37,516,377	75,033,059	112,549,436	673,370
Deferred Outflows of Resources				
Contributions to Pension Plan in Current Fiscal Year	1,530,885	464,549	1,995,434	37,513
Contributions to Pension Plan in Current Fiscal Year - Police Separation	381,225		381,225	
OPEB Deferrals	763,090	178,997	942,087	
Total Deferred Outflows of Resources	2,675,200	643,546	3,318,746	37,513
Liabilities				
Accounts payable and retainage payable	685,887	1,162,331	1,848,218	130,368
Due to Grantor's agency		403,373	403,373	
Customer deposits		348,610	348,610	
Due to Primary Government			-	24,151
Current Portion of Long Term Liabilities	885,623	1,964,803	2,850,426	
Total Current Liabilities	1,571,510	3,879,117	5,450,627	154,519
Long-term liabilities:				
Compensated absences payable	647,693	156,933	804,626	
Total OPEB Liability	6,662,657	1,562,845	8,225,502	
Net Pension Liability	2,437,884	769,858	3,207,742	40,692
Net Pension Liability - Police Separation Allowance	2,213,696		2,213,696	
Due in more than one year	4,122,542	13,259,347	17,381,889	
Total Long Term Liabilities	16,084,472	15,748,983	31,833,455	40,692
Total Liabilities	17,655,982	19,628,100	37,284,082	195,211
Deferred Inflows of Resources:				
Prepaid items	12,186	14,679	26,865	
OPEB Deferrals	455,168	106,768	561,936	
Pension Deferrals - Separation Allowance	142,340		142,340	
Pension Deferrals	55	16	71	
Total Deferred Inflows of Resources	609,749	121,463	731,212	-
Net Position				
Net Investment in capital assets	20,472,046	50,695,327	71,167,373	142,363
Restricted for:				
Stabilization by State Statute	2,004,040		2,004,040	
Other purposes	21,139		21,139	373,309
Transportation	29,584		29,584	
Public safety	40,338		40,338	
Economic Development	90,937		90,937	
Unrestricted	(732,238)	5,231,715	4,499,477	
Total Net Position	21,925,846	55,927,042	77,852,888	515,672

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

City of Eden
Statement of Activities
For the Year Ended June 30, 2020

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
General Government	1,822,108	117,708			(1,704,400)		(1,704,400)	
Public Safety	7,012,717	235,844	366,867	4,000	(6,406,006)		(6,406,006)	
Transportation	1,860,616	64,485	64,984	458,255	(1,272,892)		(1,272,892)	
Economic and Physical Development	35,794		23,416	6,860	(5,518)		(5,518)	
Environmental Protection	2,019,781	1,958,252			(61,529)		(61,529)	
Cultural and Recreation	950,407	236,243		9,454	(704,710)		(704,710)	
Public Works	1,122,794	5,700			(1,117,094)		(1,117,094)	
Special Appropriations	592,841				(592,841)		(592,841)	
Interest on Long-Term Debt	129,845				(129,845)		(129,845)	
Total Governmental Activities	15,546,903	2,618,232	455,267	478,569	(11,994,835)		(11,994,835)	
Business-Type Activities:								
Water and Sewer	10,614,766	10,815,586		3,744,823		3,945,643	3,945,643	
	<u>26,161,669</u>	<u>13,433,818</u>	<u>455,267</u>	<u>4,223,392</u>	<u>(11,994,835)</u>	<u>3,945,643</u>	<u>(8,049,192)</u>	
Component Unit:								
ABC Board	<u>1,734,029</u>	<u>1,782,520</u>						<u>48,491</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purpose					6,413,487		6,413,487	
Local Sales Tax					2,802,391		2,802,391	
Franchise Tax					873,884		873,884	
Other Taxes					618,054		618,054	
Privilege License Tax					737		737	
Grants and Contributions Not Restricted to Specific Programs					1,131,053		1,131,053	
Unrestricted Investment Earnings					117,562	76,541	194,103	2,532
Total General Revenues and Transfers					<u>11,957,168</u>	<u>76,541</u>	<u>12,033,709</u>	<u>2,532</u>
Change in Net Position					(37,667)	4,022,184	3,984,517	51,023
Net Position - Beginning of Year					<u>21,963,513</u>	<u>51,904,858</u>	<u>73,868,371</u>	<u>464,649</u>
Net Position - End of Year					<u>21,925,846</u>	<u>55,927,042</u>	<u>77,852,888</u>	<u>515,672</u>

City of Eden
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit 3

<u>Assets</u>	<u>Major Fund General</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	8,821,790	139,455	8,961,245
Cash and cash equivalents - restricted deposits	69,922		69,922
Taxes receivable, net of allowance for uncollectibles of \$221,732	63,896		63,896
Accounts receivable, net of allowance for uncollectibles of \$468,650	653,043		653,043
Due from other governmental agencies	1,272,160		1,272,160
Due from other funds	24,151		24,151
Due from Component Unit	11,447		11,447
Inventories	215,943		215,943
Prepaid Expenses	43,238		43,238
Total Assets	11,175,590	139,455	11,315,045
Liabilities:			
Accounts payable and accrued liabilities	447,552	14,158	461,710
Total Liabilities	447,552	14,158	461,710
Deferred Inflows of Resources:			
Property taxes receivable	63,896		63,896
Prepaid items	12,185	-	12,185
	76,081	-	76,081
Fund Balances:			
Non Spendable			
Inventories	215,943		215,943
Prepaid Expenses	43,238		43,238
Restricted			
Stabilization by State Statute	2,004,040		2,004,040
Streets	29,584		29,584
Public Safety	40,338	89,861	130,199
Historic Preservation	90,937		90,937
Economic Development	7,825	35,436	43,261
Cultural & Recreational	13,314		13,314
Assigned			
Subsequent year's expenditures	1,106,700		1,106,700
Unassigned reported in:			
General fund	7,100,038		7,100,038
Total Fund Balance	10,651,957	125,297	10,777,254
Total Liabilities, Deferred Inflows of Resources and Fund Balances	11,175,590	139,455	11,315,045

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

City of Eden
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit 3

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

Total Fund Balance, Governmental Funds	10,777,254
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Land and construction in progress - \$1,459,309 ; capital assets being depreciated, net - \$24,020,902)	25,480,211
The prepaid pension obligation resulting from contributions in excess of the annual required contribution are not financial resources and therefore are not reported in the funds.	(2,213,696)
Net pension liability	(2,437,884)
Net OPEB liability	(6,662,657)
Contributions to pension plan in current fiscal year and not included in the statement of activities	1,912,110
Contributions to OPEB in current fiscal year and not included in the statement of activities	763,090
Internal service funds are used by management to charge the costs of certain activities, such as risk management, equipment replacement and print services to individual funds. The Position and liabilities of certain internal service funds are included in governmental activities in the statement of net Position.	493,526
Taxes receivable (\$63,896) and accrued interest receivable (\$3,418) will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenue in the funds	67,314
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Notes payable (\$5,008,165); earned vacation pay - (\$647,694)	(5,655,859)
Pension deferrals - Local Government Retirement	(55)
Pension deferrals - Police Separation Allowance	(142,340)
OPEB deferrals	(455,168)
Net Position of governmental activities	<u><u>21,925,846</u></u>

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

City of Eden
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

Exhibit 4

Revenues	Major Fund General	Total Non-Major Funds	Total Governmental Funds
Ad valorem taxes	6,416,434	11,035	6,427,469
Privilege licenses	737		737
Other taxes and licenses	618,054		618,054
Local sales tax	2,802,391		2,802,391
Franchise tax	873,884		873,884
Other unrestricted intergovernmental revenues	1,131,053		1,131,053
Restricted intergovernmental revenues	929,836	4,000	933,836
Permits and fees	169,612		169,612
Sales and services	2,171,038		2,171,038
Interest on investments	117,491	71	117,562
Miscellaneous	277,582		277,582
Total revenues	15,508,112	15,106	15,523,218
Expenditures			
Current:			
General government	2,770,391		2,770,391
Public safety	6,400,324	389,511	6,789,835
Cultural and recreational	1,006,493		1,006,493
Transportation	2,445,224		2,445,224
Economic and physical development		7,267	7,267
Environmental protection	2,109,563		2,109,563
Public Works	1,615,432		1,615,432
Special appropriations	500,403		500,403
Non Departmental	92,438		92,438
Debt service:			
Principal	912,682		912,682
Interest	129,845		129,845
Total expenditures before charge-out	17,982,795	396,778	18,379,573
Less: Administrative cost charged to water and sewer fund	1,960,143		1,960,143
Total expenditures	16,022,652	396,778	16,419,430
Excess (deficiency) of revenues over expenditures	(514,540)	(381,672)	(896,212)
Other financing Sources (Uses)			
Proceeds from installment purchase	976,655	466,400	1,443,055
Total other financing sources and uses	976,655	466,400	1,443,055
Net change in fund balance	462,115	84,728	546,843
Fund balances - beginning of year	10,189,842	40,569	10,230,411
Fund balances - ending of year	10,651,957	125,297	10,777,254

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

City of Eden
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

Exhibit 4

	Total
Net change in fund balances - total governmental funds	546,843
<p>The change in net position reported for governmental activities in the statement of activities is different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those Position is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$2,226,868) net of disposals (\$33,110)exceeded depreciation (\$1,285,268) in the current period.</p>	908,490
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (accrued interest receivable from property taxes - \$394).</p>	(394)
Liability for earned but deferred revenues in fund statements	(13,588)
<p>Installment loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net Position. This is the amount by proceeds (\$1,443,054) exceeded repayments (\$912,682).</p>	(530,373)
<p>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. Earned vacation pay (\$1,288), net pension obligation (\$17,172), other post-employment benefits (\$651,056), and pension expense (\$494,922).</p>	(1,164,438)
<p>Internal service funds are used by management to charge the costs of certain activities such as risk management, print shop services and equipment replacement to individual funds. The (expense) of certain internal services funds is reported with governmental activities.</p>	<hr style="width: 100%;"/> 215,793
Change in net position of governmental activities	<hr style="width: 100%;"/> <u>(37,667)</u>

City of Eden
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2020

Exhibit 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	6,162,400	6,162,400	6,416,434	254,034
Privilege licenses	800	800	737	(63)
Other taxes and licenses	671,500	671,500	618,054	(53,446)
Local sales tax	2,864,100	2,864,100	2,802,391	(61,709)
Franchise tax	972,600	972,600	873,884	(98,716)
Other unrestricted intergovernmental revenues	1,163,100	1,163,100	1,131,053	(32,047)
Restricted intergovernmental revenues	818,000	918,300	929,836	11,536
Permits and fees	104,700	104,700	169,612	64,912
Sales and services	2,161,400	2,196,800	2,171,038	(25,762)
Interest on investments	156,200	156,200	117,491	(38,709)
Miscellaneous	79,800	131,800	277,582	145,782
Total revenues	<u>15,154,600</u>	<u>15,342,300</u>	<u>15,508,112</u>	<u>165,812</u>
EXPENDITURES				
General government:				
Governing body	106,200	140,000	117,778	22,222
Administration & Legal	219,500	221,500	184,608	36,892
Finance/Human Resources	663,200	716,900	666,951	49,949
Planning	639,700	650,500	557,805	92,695
Business Development	479,500	488,500	460,486	28,014
Engineering	310,800	322,900	300,566	22,334
Information Technology	460,200	500,300	482,197	18,103
Total general government	<u>2,879,100</u>	<u>3,040,600</u>	<u>2,770,391</u>	<u>270,209</u>
Public works:				
Facilities & Grounds	1,249,600	1,276,600	1,179,448	97,152
City Garage	461,300	484,200	435,984	48,216
Total public works	<u>1,710,900</u>	<u>1,760,800</u>	<u>1,615,432</u>	<u>145,368</u>
Public safety:				
Police department	4,791,400	4,882,400	4,784,074	98,326
Fire department	2,121,800	1,662,200	1,616,250	45,950
Total public safety	<u>6,913,200</u>	<u>6,544,600</u>	<u>6,400,324</u>	<u>144,276</u>
Transportation:				
Streets	1,787,300	2,114,600	2,012,115	102,485
Powell Bill	467,500	467,500	433,109	34,391
Total Transportation	<u>2,254,800</u>	<u>2,582,100</u>	<u>2,445,224</u>	<u>136,876</u>

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

City of Eden
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2020

Exhibit 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Environmental protection	2,236,000	2,241,000	2,109,563	131,437
Cultural and recreational	1,087,200	1,128,400	1,006,493	121,907
Special Appropriations	551,100	636,300	500,403	135,897
Non Departmental - Bad Debt Expense	50,000	135,000	92,438	42,562
Debt Service:				
Principal	796,900	913,400	912,682	718
Interest	122,700	130,800	129,845	955
Total debt service	919,600	1,044,200	1,042,527	1,673
Contingency	500,000	-	-	-
Total expenditures before charge-out	19,101,900	19,113,000	17,982,795	1,130,205
Less: administrative cost charged to water and sewer fund	1,979,100	1,979,100	1,960,143	(18,957)
Total expenditures	17,122,800	17,133,900	16,022,652	1,111,248
Excess (deficiency) of revenues over expenditures	(1,968,200)	(1,791,600)	(514,540)	1,277,060
OTHER FINANCING SOURCES (USES)				
Proceeds from installment purchase and capital lease	1,468,200	1,146,500	976,655	(169,845)
Fund balance appropriated	500,000	645,100		(645,100)
Total other financing sources (uses)	1,968,200	1,791,600	976,655	(814,945)
Net changes in fund balances	-	-	462,115	462,115
Fund balances - beginning of year			10,189,842	
Fund balances - end of year			10,651,957	

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

City of Eden
Statement of Fund Net Position
Proprietary Funds
6/30/2020

Exhibit 6

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Assets:		
Current Assets:		
Cash and Cash Equivalents	5,284,734	687,194
Cash and Cash Equivalents - Restricted Deposits	348,610	
Customer Receivables, net of allowance for uncollectibles of \$712,251	495,507	
Unbilled Water Receivable	1,135,813	
Other Receivables	1,568,073	30,509
Inventory	289,047	
Prepaid Expenses	3,245	
Total Current Assets	9,125,029	717,703
Noncurrent Assets:		
Capital Assets:		
Land	1,826,960	
Construction in Progress	13,178,629	
Water and Sewer Systems	86,918,556	
Furniture, Machinery, Equipment	15,490,837	
Vehicles	1,482,313	
Less Accumulated Depreciation	(52,977,818)	
Capital Assets (Net)	65,919,477	-
Total Assets	75,044,506	717,703
Deferred Outflows of Resources - Contributions to		
Pension Plan	464,549	
OPEB	178,997	-
Total Deferred Outflows of Resources	643,546	-

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

City of Eden
Statement of Fund Net Position
Proprietary Funds
June 30, 2020

Exhibit 6

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Liabilities:		
Current Liabilities:		
Accounts Payable	1,162,331	224,117
Due to grantor's agency	403,373	
Due from other funds	11,447	
Customer Deposits	348,610	
Bonds and Installment Purchases Payable - Current Maturities	1,964,803	
Total Current Liabilities	3,890,564	224,117
Noncurrent Liabilities:		
Accrued Vacation Pay	156,933	
Bonds and Installment Purchases Payable - Long-Term Portion	13,259,347	
Net Pension Liability	769,858	
Net OPEB Liability	1,562,845	
Total Noncurrent Liabilities	15,748,983	-
Total Liabilities	19,639,547	224,117
Deferred Inflows of Resources:		
Other Deferred Inflows of Resources	14,679	
OPEB Deferrals	106,768	
Pension Deferrals	16	
Total Deferred Inflows of Resources	121,463	-
Net Position		
Net Investment in Capital Assets	50,695,327	
Unrestricted	5,231,715	493,526
Total Net Position	55,927,042	493,526

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

City of Eden
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

Exhibit 7

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Operating Revenue		
User Charges	10,815,586	3,551,911
Operating Expenses		
W/S Administration	484,900	
Billing and Collections	485,305	
Water Filtration	1,235,683	
Maintenance	1,779,910	
Waste Treatment	1,196,025	
Water and Sewer Resources	568,889	
Depreciation Expense	2,448,515	
Pension Expense	156,289	
Non-Departmental	1,960,144	
OPEB Expense	152,716	
Bad Debt Expense	29,658	
Sewer Construction Maintenance	15,311	
Gross Insurance Fixed Cost		607,430
Insurance Claims		2,729,646
Total Operating Expenses	10,513,345	3,337,076
Net Operating Income (Loss)	302,241	214,835
Non-Operating Revenues (Expenses)		
Interest on Investments	76,541	958
Other Revenues	88,209	
Interest Expense	(189,630)	
Total Non-Operating Revenue (Expense)	(24,880)	958
Income (Loss) Before Contributions and Transfers	277,361	215,793
Capital Contributions/Grants		
Duke Energy Reimbursement	29,359	
NC Connect Bond	1,247,033	
EDA Grant	1,827,058	
Drinking Water Reserve Grant	550,798	
Special Legislative Grant	39,235	
Hurricane Reimbursement	51,340	
	3,744,823	
Change in Net Position	4,022,184	215,793
Total Net Position, Previously Reported	51,904,858	277,733
Net Position - End of Year	55,927,042	493,526

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

City of Eden
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

Exhibit 8

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Cash Flows from Operating Activities:		
Cash Received from Customers	11,635,722	3,521,402
Cash Paid for Goods and Services	(4,418,081)	(3,349,773)
Cash Paid to Employees	(2,465,549)	
Customer Deposits Received	99,630	
Customer Deposits Returned	(85,540)	
	4,766,182	171,629
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(9,018,564)	
Principal Paid on Bond and Installment Purchases	(1,881,118)	
Interest Paid on Bond and Installment Purchases	(189,630)	
Miscellaneous	51	
Insurance Proceeds	8,455	
Proceeds from Sale of Capital Assets	79,703	
Proceeds from Special Legislative Grant - Cov Branch	39,235	
Proceeds from NC Connect Bond Grant	1,247,033	
Proceeds from EDA Grant	1,827,058	
Proceeds from Drinking Water Reserve Grant	550,798	
Proceeds from Hurricane Reimbursement	51,340	
Proceeds from Duke Energy Reimbursement	29,359	
Proceeds from Installment Loan	3,162,645	
	(4,093,635)	-
Cash Flows from Non-Capital (Use of Funds)		
Due to/from Other Funds	(482)	
Cash Flows from Investing Activities:		
Interest on Investments	76,541	958
Net Increase (Decrease) in Cash and Cash Equivalents	748,606	172,587
Cash and Cash Equivalents:		
Beginning of Year, July 1	4,884,735	514,607
End of Year, June 30	5,633,341	687,194

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

City of Eden
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

Exhibit 8

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Cash Flows from Operating Activities:		
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	302,241	214,835
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,448,515	
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(3,186)	
(Increase) Decrease in Unbilled Water Receivables and Assessments Receivable	41,615	
(Increase) Decrease in Other Receivables	811,067	(30,509)
(Increase) Decrease in Prepaid Expenses	9,619	
(Increase) Decrease in Inventories	(16,977)	
(Increase) Decrease in Deferred Outflows of Resources	(13,394)	
Increase (Decrease) in Accounts Payable, Retainage Payable, and Accrued Liabilities	480,702	(12,697)
Increase (Decrease) in Due to Grantor's Agency	403,373	
Increase (Decrease) in Customer Deposits	14,090	
Increase (Decrease) in Accrued Vacation Pay	(4,522)	
Increase (Decrease) in Net Pension Liability	96,530	
Increase (Decrease) in Deferred Inflows of Resources	(10,247)	
Increase (Decrease) in Post Employment Benefits	206,756	
Net Cash Provided by Operating Activities	4,766,182	171,629

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

City of Eden
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

Exhibit 9

	Agency
	Runabout Travel Club
Assets:	
Cash and Cash Equivalents	14,859
Accounts Payable and Accrued Liabilities	14,859
Net Position:	-
Total Liabilities and Net Position	14,859

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

I. Summary of Significant Accounting Policies

The accounting policies of the City of Eden and its discretely presented component unit, the Eden ABC Board, 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 City of Eden is a municipal corporation which is governed by an elected mayor and a seven-member council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally-separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

City of Eden ABC Board

The members of the ABC Board's governing board are appointed by the City. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at City of Eden ABC Board, 319 N. Pierce St., Eden, NC 27288.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. 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 City and for each function of the City'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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category - Governmental, Proprietary, and Fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. 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, transportation, environmental protection, and general government.

The City reports the following non-major governmental funds:

The City reports one capital project fund - Fire Training Facility.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The city had one Special Revenue Fund, the Municipal Service District Tax Fund.

The City reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for the City's water and sewer operation. Two water and sewer capital projects funds, Mega Park Water Line and EPA/AOC Sewer Project, have been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparisons for the water and sewer capital projects funds have been included in the supplemental information.

The City reports the following fund types:

Internal Service Fund - Internal Service Funds account for the financing of goods or services provided by one department to other

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

departments of the governmental unit, on a cost-reimbursement basis. The City of Eden has one Internal Service Fund, the Self Insured Insurance Fund which provides hospital and disability insurance coverage to city employees.

Agency Funds - Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the City holds on behalf of others. The City maintains one Agency Fund, the Runabout Travel Club Fund, which accounts for moneys deposited with the City of Eden Recreation Department for those individuals participating in the programs of its department sponsored club.

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary 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 City 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 City enterprise funds are charges to customers for sales and services. The City 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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenues because the amount is not susceptible to accrual. At June 30, taxes receivable 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 City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Eden because the tax is levied by Rockingham 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. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program.

It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for Special Revenue Funds and Capital Projects Funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. The City's Self Insured Insurance Fund, an internal service fund, operates under a financial plan that was adopted by the governing board at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds.

The budget ordinance states that the City Manager, by authority of this ordinance, may transfer/reallocate between departments up to a maximum of ten percent (10%) of the moneys appropriated within any of the above stated funds, including any transfers/or reallocations between funds.

Appropriations are amended as necessary by the governing board. The amended budget ordinance as of June 30, 2020 is included in the financial statements but has been restructured to conform with the actual data. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the City and the ABC Board 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The NCCMT Government Portfolio, a SEC-registered (2a-7)

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

money market mutual fund, is measured at fair value. The NCCMT - Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The City 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. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

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

City of Eden Restricted Cash

Governmental Activities

General Fund

Streets 29,584

Police Protection 40,338

Total Governmental Activities 69,922

Business-type Activities

Water and Sewer Fund

Customer Deposits 348,610

Total Business-type Activities 348,610

Total Restricted Cash 418,532

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles July, 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

The inventories of the City and the ABC Board are valued at cost (first-in, first-out), which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased.

The inventories of the City's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is recorded as an expense as the inventories are consumed. The ABC Board inventory consists of alcoholic beverages for resale and is recorded as cost of sales when sold.

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000.00 and an estimated useful life in excess of two years. The City's capital assets are recorded at original cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the time of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. General infrastructure assets acquired prior to July 1, 2002, consist of the road network that were acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at historical cost less accumulated depreciation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Property, plant, and equipment in the proprietary funds of the City and of the ABC Board are recorded at original cost at the time of acquisition. Prior to June 15, 2015, property, plant, and equipment donated to these proprietary fund type operations are recorded at the estimated fair market value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. Capital assets of the City are depreciated on a composite straight-line basis for the entire plant, regardless of the year of acquisition, at a 2% annual rate. In the composite rate, gain or loss on dispositions is not calculated except in extraordinary circumstances. Other assets of the City are depreciated on a class life basis at the following rates:

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	50 years
Buildings	50 years
Improvements	50 years
Furniture and office equipment	10 years
Maintenance and construction equipment	8 years
Motor vehicles	6 years

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Buildings	31 1/2 years
Furniture/equipment	10 years
Computers	5 years

During the year 2019-2020 the City of Eden continued the policy to capitalize capital assets costing \$5,000 or more. Purchases of capital assets costing between \$1,000 - \$4,999 are expensed and inventoried. Capital assets costing less than \$1,000 are expensed.

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 City has two items that meet this criterion, contributions made to the pension plan and Other Post Employment Benefit Plan (OPEB) in the 2020 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, deferrals of pension expense and OPEB.

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 discounts. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

10. Compensated Absences

The vacation policy of the City of Eden provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded within the funds as the leave is earned.

Vacation time for the employees of the Eden ABC Board runs by the calendar year, beginning January 1 and ending December 10 each year. Since vacation earned during the calendar year must be taken before December 10 each year, and any vacation not so taken will be canceled, the current portion of accumulated vacation is not considered to be material.

Both the City and the ABC Board's sick leave policies 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 neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for the sick leave has been made.

11. Net Position/Fund Balances

Net Position

Net positions 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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

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.

Inventories - portion of fund balance that is not an available resource because it represents the year-end fund balance of ending inventories, which are not spendable resources.

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

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

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

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for certain police expenditures and equipment cost.

Restricted for Historic Preservation - portion of fund balance that is restricted by revenue source for historic preservation.

Restricted for Economic Development - portion of fund balance that is restricted by revenue source for economic development.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Restricted for Cultural & Recreational - portion of fund balance that is restricted by revenue source (public donation) for cultural and recreational.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Eden's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to transfer or reallocate between and within departments up to a maximum of 10% of the moneys appropriated, not including any transfers between funds.

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

The City of Eden has also adopted a Cash Management Policy for the general fund which instructs management to conduct the business of the City in such a manner that the available fund balance is equal to at least three months of operating expenses.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (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 City of Eden's employer contributions are recognized when due and the City of Eden has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

II. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the City and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City and the ABC Board, these deposits are considered to be held by the City's and the ABC Board's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, the ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City or the ABC Board 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 City 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 City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2020, the City's deposits had a carrying amount of \$2,270,778 and a bank balance of \$2,869,916. Of the bank balance, \$250,000 was covered by federal insurance and the remainder covered by collateral held under the pooling method. At June 30, 2020, the City's petty cash fund totaled \$5,960. The carrying amount of deposits for the ABC Board was \$399,822 and the bank balance was \$433,545. The ABC Boards deposits above the amount covered by the federal depository insurance coverage are collateralized by the pooling method.

2. Investments

At June 30, 2020 the City of Eden had \$13,089,826 (Amortized Cost) invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City does not have a formal investment policy or credit risk policy.

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

3. Receivables - Allowances for Doubtful Accounts

The amounts presented in Exhibit 1, the Combined Balance Sheet and the Statement of Net Position for the year ended June 30, 2020 are net of the following allowances for doubtful accounts:

Fund	6/30/2020
General Funds - Taxes Receivable	221,732
Accounts Receivable	468,470
Enterprise Fund - Water & Sewer Fund	
Customers	712,251
Miscellaneous Accounts Receivable	285
	<u>1,402,738</u>

4. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions Year Ending 6/30/2020	Reductions Year Ending 6/30/2020	Transfers Year Ending 6/30/2020	Balance June 30, 2020
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	1,306,702	51,637	(33,110)	-	1,325,229
Construction in Progress*	1,050,285	134,080		(1,050,285)	134,080
	<u>2,356,987</u>	<u>185,717</u>	<u>(33,110)</u>	<u>(1,050,285)</u>	<u>1,459,309</u>
Capital Assets Being Depreciated:					
Municipal Park	2,445,282	40,853		756,993	3,243,128
Land Improvements	3,402,984	72,701		293,292	3,768,977
Buildings	2,658,235	389,511			3,047,746
Building Improvements	4,869,171	237,569			5,106,740
Vehicles	7,862,865	499,144	(91,537)	23,681	8,294,153
Furniture	39,303				39,303
Off Road Equipment	707,831		(16,912)		690,919
Other Equipment	3,020,035	368,264			3,388,299
Infrastructure	16,636,323	433,109			17,069,432
Radios	656,291				656,291
	<u>42,298,320</u>	<u>2,041,151</u>	<u>(108,449)</u>	<u>1,073,966</u>	<u>45,304,988</u>
Total Capital Assets Being Depreciated					
Less: Accumulated Depreciation For:					
Municipal Park	532,648	64,294			596,942
Land Improvements	1,170,306	70,990			1,241,296
Buildings	2,105,805	20,910			2,126,715
Building Improvements	1,766,331	96,006			1,862,337
Vehicles	6,304,522	523,788	(91,537)	23,681	6,760,454
Furniture	39,303				39,303
Off Road Equipment	502,361	33,457	(16,912)		518,906
Other Equipment	2,391,007	143,097			2,534,104
Infrastructure	4,615,012	332,726			4,947,738
Radios	656,290	-	-	-	656,290
	<u>20,083,585</u>	<u>1,285,268</u>	<u>(108,449)</u>	<u>23,681</u>	<u>21,284,085</u>
Total Accumulated Depreciation					
Total Capital Assets Being Depreciated Net	<u>22,214,735</u>				<u>24,020,903</u>
Governmental Activities Capital Assets Net	<u>24,571,722</u>				<u>25,480,212</u>
*Construction in Progress					
Stadium Drive Sidewalk	<u>131,644</u>				

The net book value of assets sold was \$33,100.

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

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

General Government	183,514
Public Safety	292,014
Transportation	474,905
Environmental Protection	210,560
Cultural and Recreational	124,275
	<u>1,285,268</u>

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type activities:					
Water and Sewer Fund					
Capital assets not being depreciated:					
Land	1,786,182	40,778	-	-	1,826,960
Construction in process	4,755,887	8,422,742	-	-	13,178,629
Total capital assets not being depreciated	6,542,069	8,463,520	-	-	15,005,589
Capital assets being depreciated:					
Plant and distribution systems	86,659,911	258,645	-	-	86,918,556
Furniture and maintenance equipment	15,656,437	33,177	-	(198,777)	15,490,837
Vehicles	1,327,064	263,221	(23,681)	(84,291)	1,482,313
Total capital assets being depreciated	103,643,412	555,043	(23,681)	(283,068)	103,891,706
Less accumulated depreciation for:					
Plant and distribution systems	37,587,722	1,624,197	-	-	39,211,919
Furniture and maintenance equipment	12,174,167	765,929	-	(198,777)	12,741,319
Vehicles	1,074,164	58,389	(23,681)	(84,291)	1,024,581
Total accumulated depreciation	50,836,053	2,448,515	(23,681)	(283,068)	52,977,819
Total capital assets being depreciated, net	52,807,359				50,913,887
Water and Sewer Fund capital assets, net	59,349,428				65,919,476

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Construction Commitments

The City of Eden has active construction projects as of June 30, 2020.

Note	Project	Estimated Date of Completion	Total for Project Ordinance	Spent To Date	Remaining Commitment
1	Mega Park Water Improvements	July 2020	7,138,900	4,670,424	2,468,476
2	Remediation Plan Expenditures EPAAOC	April 2022*	35,725,600	8,371,440	27,354,160
			<u>42,864,500</u>	<u>13,041,864</u>	<u>29,822,636</u>

Note

1 The following revenues are anticipated to complete this Mega Park Project:

	Original Budget	Amended Budget
Drinking Water Reserve Grant (NCDEQ)	1,886,700	1,018,225
Loan Proceeds 0% Interest	3,000,000	3,000,000
Loan Proceeds	12,002,900	54,675
Water & Sewer Fund	1,600,000	66,000
Economic Development Administration Grant		2,000,000
N.C. General Assembly Legislative Grant		1,000,000
	<u>18,489,600</u>	<u>7,138,900</u>

2 Remediation Plan Expenditures have the following anticipated revenues:

Connect NC Grant	16,666,000
DENR Loan 0% Interest	15,000,000
Water and Sewer Fund	2,059,600
Loan from Water and Sewer Fund	2,000,000
	<u>35,725,600</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	06/30/2020	Reductions Year Ending 6/30/2020	Balance June 30, 2020
Capital assets not being depreciated:				
Land	95,335			95,335
Capital assets being depreciated:				
Building	230,130			230,130
Parking lot improvements	20,794	9,596		30,390
Furniture/equipment	61,916			61,916
Total capital assets being depreciated	312,840	9,596	-	322,436
Less accumulated depreciation for:				
Building	202,322	7,026		209,348
Parking lot improvements	13,480	1,260		14,740
Furniture/equipment	49,476	1,844		51,320
Total accumulated depreciation	265,278	10,130	-	275,408
Capital assets being depreciated, net	47,562			47,028
ABC capital assets, net	142,897			142,363

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of Eden and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, 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 (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

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 5 years of creditable service as a LEO and have reached the age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Eden employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Eden's contractually required contribution rate for the year ended June 30, 2020 was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Eden were \$800,319 for the year ended June 30, 2020.

Refund of Contributions. City 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, 2020, the City reported a liability of \$3,207,741 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City'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, 2019, the City's proportion was 0.11746%, which was a decrease of 0.00080% from its proportion measured as of June 30, 2018.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

For the year ended June 30, 2020, the City recognized pension expense of \$1,451,531. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual Experience	549,246	-
Changes of assumptions	522,809	-
Net difference between projected and actual earnings on pension plan investments	78,241	-
Changes in proportion and difference between City contributions and proportionate share of contributions	44,815	75
City contributions subsequent to the measurement date	<u>800,319</u>	<u>-</u>
Total	<u><u>1,995,430</u></u>	<u><u>75</u></u>

\$800,319 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2020	587,505
2021	190,310
2022	319,643
2023	97,579
Thereafter	<u>-</u>
	<u><u>1,195,037</u></u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2018 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 weighing 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, 2019 are summarized in the following table:

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

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

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 City's proportionate share of the net pension liability to changes in the discount rate. The following present the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City'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%)
City's proportionate share of net pension liability (asset)	\$7,336,690	\$3,207,741	(\$224,252)

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description.

The City of Eden administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City'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 City are covered by the Separation Allowance. At December 31, 2018 (Valuation Date), the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Active plan members	<u>46</u>
Total	<u>56</u>

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies:

Basis of Accounting. The City 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 and refunds 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 following criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Inflation	2.5 percent
Salary Increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.26 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, 2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

4. Contributions.

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made from the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

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

At June 30, 2020, the City reported a total pension liability of \$2,213,696. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension expense of \$182,455.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	207,351	88,367
Changes of assumptions and other inputs	91,280	53,973
Benefit payments and administrative expenses subsequent to the measurement date	82,594	
	<hr/>	<hr/>
Total	<u>381,225</u>	<u>142,340</u>

\$82,594 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources. Other amounts

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

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

Year Ended June 30:

2021	\$ 54,417
2022	58,771
2023	412
2024	(36,334)
2025	(6,357)
Thereafter	-

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 3.26 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total Pension Liability	\$2,368,730	\$2,213,696	\$2,070,503

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

Beginning balance as of December 31, 2018	<u>\$2,042,190</u>
Service Cost	56,126
Interest on the total pension liability	71,404
Change in benefit terms	-
Difference between expected and actuarial experience	149,282
Changes of assumptions and other inputs	55,775
Benefit payments	(161,081)
Other	-
Net Changes	<u>\$ 171,506</u>
Total Pension Liability as of December 31, 2019	<u><u>\$2,213,696</u></u>

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

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

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

	LGERs	LEOSSA	Total
Pension Expense	1,451,531	182,455	1,633,986
Pension Liability	3,207,741	2,213,696	5,421,437
Proportionate share of the net pension liability			
Deferred Outflows of Resources			
Differences between expected and actual experience	549,246	207,351	756,597
Changes of assumptions	522,809	91,280	614,089
Net difference between projected and actual earnings on plan investments	78,241	-	78,241
Changes in proportion and differences between contributions and proportionate share of contributions	44,815	-	44,815
Benefit payments and administrative costs paid subsequent to the measurement date	800,319	82,594	882,913
Deferred of Inflows of Resources			
Differences between expected and actual experience	-	88,367	88,367
Changes of assumptions	-	53,973	53,973
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	75	-	75

c. Supplemental Retirement Income Plan for Law Enforcement Officers and All Other Full-Time Employees

Plan Description. The City 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 City and all other full-time employees if the

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

City contributes for those employees. 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary and all full-time employees, and all amounts contributed are vested immediately. Also, the law enforcement officers and full-time employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$614,372 which consisted of \$438,362 from the City and \$176,010 from the employees.

d. Firefighter's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of Eden, to the Firefighter's and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighters' and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. 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. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Contributions. Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2020, the State contributed \$18,302,000 to the plan.

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

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

At June 30, 2019 the city reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the City and supported by the State was \$35,132. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2020 and at June 30, 2019 was 0%.

For the year ended June 30, 2020, the City recognized pension expense of \$18,496 and revenue of \$18,496 for support provided by the State. At June 30, 2020, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

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

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

e. Other Postemployment Benefits

1. Postemployment Health Care Benefits

Plan Description On July 1, 1995, the City began a self-insured insurance coverage. The City pays the total cost up to a maximum of \$550 per month of health and dental insurance up to age 65 for employees with 30 or more years of service, 15 of which must have been with the City of Eden. The City also pays 75% of health and dental insurance up to a maximum of \$412.50 per month up to age 65 for employees with 25 to 29 years of service, 12.5 of which must have been with the City of Eden. The City also pays 50% of health and dental insurance up to a maximum of \$275 per month up to age 65 for employees with 20 to 25 years of service, 10 of which must have been with the City of Eden. Also, the City's retirees can purchase coverage for their dependents at the City's group rates as long as their dependents were already on the City's plan at least 12 months prior to the employee's retirement date. Retiree's not eligible for City subsidized premium payments are not eligible to stay on the plan.

Health care, prescription drug, and dental coverage are provided by the City. In addition a \$5,000 retiree life insurance benefit is provided by the City.

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

	<u>General Employees</u>
Retirees and dependents receiving benefits	125
Active plan members	<u>179</u>
Total	<u>304</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Total OPEB Liability

The City's OPEB liability of \$8,225,502 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 %
Real wage growth	1.00 %
Wage inflation	3.50 %
Salary Increases, including wage inflation	
General Employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Healthcare Cost Trends	
Pre-Medicare and Medical And Prescription Drug	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

The City selected a Municipal Bond Index Rate equal to the Bond Buyer 20 year Obligation Bond Index published at the last Thursday of June by The Bond Buyer. The discount rate used to measure TOL is the Municipal Bond Index Rate as of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	<u>\$7,137,311</u>
Changes for the year	
Service Cost	415,829
Interest	272,158
Changes of benefit terms	673,359
Differences between expected and actual experience	(242,200)
Changes in assumptions	253,701
Benefits payments	<u>(284,656)</u>
Net Changes	<u>1,088,191</u>
Balance at June 30, 2019	<u><u>\$8,225,502</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

The actuarial assumptions used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Sensitivity of the Total OPEB Liability to changes in the discount rate. The following presents the total OPEB liability at the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 9,083,269	\$ 8,225,502	\$ 7,466,204

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-lower or 1-percentage-higher than the current healthcare cost trend rates:

	(Pre-Medicare 6.00%)	(Pre-Medicare 7.00%)	(Pre-Medicare 8.00%)
Total OPEB Liability	\$ 7,395,105	\$ 8,225,502	\$ 9,201,986

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$1,314,222. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$138,687	\$195,802
Changes of assumptions	205,099	366,134
Benefit payments and administrative costs made subsequent to the measurement date	598,301	
Total	\$ 942,087	\$ 561,936

\$598,301 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Year Ended June 30:	
2020	\$(47,124)
2021	\$(47,124)
2022	\$(47,124)
2023	\$(47,124)
2024	\$(25,405)
Thereafter	\$(4,249)

Funding Policy The City has chosen to fund the healthcare benefits on a pay as you go basis. Current retirees that retired prior to November 20, 2001 may continue their coverage by paying 100% of the premium. The City pay the premium for current retirees that retired after November 20, 2001 and prior to August 29, 2009 based on the following schedule:

Years of Service at Retirement	City Contribution	Maximum Monthly City Contribution
30 or more	100%	\$550.00
25 - 29	50%	\$275.00
Less than 25	N/A	Not Eligible

The City will pay the premium for employees that retire on or after August 29, 2009 based on the following schedule:

Years of Service at Retirement	City Contribution	Maximum Monthly City Contribution
30 or more	100%	\$550.00
25 - 29	75%	\$412.50
20 - 24	50%	\$275.00
Less than 20	N/A	Not Eligible

*Also requires at least half of the years of service are with the City of Eden.

Retirees contribute the difference of the premium coverage and the coverage cap. Coverage will continue until retiree becomes Medicare eligible at which time the City's subsidized retiree health care benefits will end.

Any employee hired after April 17, 2018 shall not qualify for payment of all or part of the health care and dental care insurance premium upon retirement and shall not qualify for participation in the City's health and dental insurance policy.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

The city's payment of premiums for group health and dental coverage for retirees will be discontinued in accordance with City of Eden Ordinance 10-6.3 (Retiree Life, Health and Dental Insurance) when:

1. The retiree begins to draw social security benefits and becomes eligible for Medicare; or
2. The retiree becomes eligible for 100% of social security benefits; whichever event occurs first between items 1 and 2; or
3. The retiree becomes eligible for social security disability.

2. Other Employment Benefits

The City has elected not to provide death benefits to employees other than those engaged in law enforcement 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 engaged in law enforcement who die in active service after one year of contributing membership to 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 may not be less than \$25,000 and more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The City 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. The City considers these contributions to be immaterial.

Also the City of Eden provides additional group-term life insurance to all full-time employees through Lincoln Financial. The benefits paid are equal to twice the employee's yearly salary. The benefits in excess of \$50,000 are considered taxable to the employee as a fringe benefit.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

3. Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution to Pension plan Subsequent to measurement date	882,913	
Contribution to OPEB plan Subsequent to measurement date	598,301	
Prepaid privilege licenses (General Fund)		460
Prepaid property and motor vehicle taxes (General Fund)		2,687
Other miscellaneous receivable (General Fund)		9,038
Difference between expected and actual experience	895,284	284,169
Change in assumption	819,188	420,107
Net difference between projected and actual earnings on pension plan investments	78,241	
Changes in proportion and differences between employer contributions and proportionate share of contribution	44,815	75
	<hr/>	<hr/>
Total	<u>3,318,742</u>	<u>716,536</u>

4. Risk Management

The City is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in two self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains public officials liability and employment practices liability coverage of \$5 million per claim and police professional liability coverage of \$5 million per occurrence, employee benefit liability coverage of \$5,000,000 per claim, property coverage up to the total insurance values and workers' compensation coverage up to the statutory limits. The pools are reinsured through commercial companies for single occurrence claims against general liability and auto liability, police professional liability and public official liability in excess of \$1,000,000, property in excess of \$500,000 and \$1,000,000 up to the statutory limits for workers' compensation.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

The City of Eden, since it is located in Flood Zone C, has limited flood coverage through its property insurance administered by the North Carolina League of Municipalities. The flood limit of insurance is \$5,000,000 for single occurrence with an annual aggregate limit of \$5,000,000. The policy has a \$50,000 deductible. There is no flood coverage outside zones B, C, or X.

On July 1, 1995 the City began a self-insured insurance coverage. The City carries a reinsurance policy for payment of all specific claims above \$55,000 (effective May 1, 2016) and for aggregate claims above a minimum attachment point. The excess above \$55,000 in claims on any one individual is reimbursed by the reinsurance carrier once the aggregate specific corridor has been met annually. The aggregate specific corridor is as follows: \$155,000 for the period May 1, 2019 until April 30, 2020. The lifetime maximum per covered individual is currently unlimited. The maximum reimbursement for the aggregate coverage is \$1,000,000 annually. There is a combined additional liability of \$105,000 for claims that might, or might not, be incurred in addition to the \$55,000 specific deductible.

In accordance with GS 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are fidelity bonded through the Interlocal Risk Financing Fund of North Carolina. The finance officer and tax collector are each individually bonded for \$100,000 and \$50,000 respectively. The remaining employees that have access to funds are bonded for \$50,000 per occurrence. There have been no significant reductions in insurance coverage in the prior years and settled claims have not exceeded coverage in any of the past three fiscal years.

The Eden ABC Board 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 ABC Board has property, general liability, auto liability, workmen's compensation, and employee health coverage's. The Board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i), each board member and employer designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

5. Long Term Obligations

a. Installment Purchases

Governmental Activities

General Fund

On November 7, 2016 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2016 Hino Knuckleboom Truck in the amount of \$134,617 for the use of the Solid Waste department. The financing contract requires principal payments beginning in the fiscal year 2016-2017 with interest rate of 1.65%. The truck is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$444 of interest are as follows:

	<u>Governmental Activities</u>	
<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	<u>26,924</u>	<u>444</u>
Present Value of Installment Purchase Payments	<u>26,924</u>	
Total Interest Payments		<u>444</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On April 5, 2017 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2016 Sutphen Aerial Ladder Truck in the amount of \$690,000 for the use of the Fire department. The financing contract requires principal payments beginning in the fiscal year 2017-2018 with interest rate of 2.28%. The fire truck is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$87,905 of interest are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	41,839	12,992
2022	42,793	12,038
2023	43,769	11,062
2024	44,766	10,065
2025	45,787	9,044
2025-2030	245,079	29,075
2030-2032	<u>105,793</u>	<u>3,629</u>
Present Value of Installment Purchase Payments	<u>569,826</u>	
Total Interest Payments		<u>87,905</u>

On October 2, 2017 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of (8) 2017 Ford Explorers in the amount of \$314,400 for the use of the Police department. The financing contract requires principal payments beginning in the fiscal year 2018-2019 with interest rate of 2.04%. The vehicles are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$7,904 of interest are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	62,854	3,926
2022	64,137	2,643
2023	<u>65,445</u>	<u>1,335</u>
Present Value of Installment Purchase Payments	<u>192,436</u>	
Total Interest Payments		<u>7,904</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On October 19, 2017 the City of Eden entered into a direct borrowing installment purchase contract to finance Street Improvements in the amount of \$1,100,000. The financing contract requires principal payments beginning in the fiscal year 2018-2019 with interest rate of 2.63%. The streets are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$189,394 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2021	64,168	25,768
2022	65,855	24,080
2023	67,587	22,348
2024	69,365	20,571
2025	71,189	18,746
2025-2030	385,034	64,644
2030-2033	<u>256,569</u>	<u>13,237</u>
Present Value of Installment Purchase Payments	<u>979,767</u>	
Total Interest Payments		<u>189,394</u>

On October 31, 2017 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2017 Autocar Garbage Truck in the amount of \$286,759 for the use of the Solid Waste department. The financing contract requires principal payments beginning in the fiscal year 2018-2019 with interest rate of 1.71%. The garbage truck is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$6,017 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2021	57,335	2,992
2022	58,316	2,011
2023	<u>59,313</u>	<u>1,014</u>
Present Value of Installment Purchase Payments	<u>174,964</u>	
Total Interest Payments		<u>6,017</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On April 10, 2018 the City of Eden entered into a direct borrowing installment purchase contract to finance a Trane Heat/Air Upgrade in the amount of \$292,500 for the City Hall. The financing contract requires principal payments beginning in the fiscal year 2018-2019 with interest rate of 2.28%. The equipment is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$8,193 of interest are as follows:

<u>Governmental Activities</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	58,115	4,066
2022	59,440	2,741
2023	<u>60,795</u>	<u>1,386</u>
Present Value of Installment Purchase Payments	<u>178,350</u>	
Total Interest Payments		<u>8,193</u>

On May 2, 2018 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2018 NuLife Knuckleboom Truck in the amount of \$145,575 for the use of the Solid Waste department. The financing contract requires principal payments beginning in the fiscal year 2018-2019 with interest rate of 2.04%. The knuckleboom truck is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$3,541 of interest are as follows:

<u>Governmental Activities</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	28,160	1,759
2022	28,735	1,184
2023	<u>29,321</u>	<u>598</u>
Present Value of Installment Purchase Payments	<u>86,216</u>	
Total Interest Payments		<u>3,541</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On June 27, 2018 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2018 Pinnacle Trash Compactor in the amount of \$171,760 for the use of the Solid Waste department. The financing contract requires principal payments beginning in the fiscal year 2018-2019 with interest rate of 3.24%. The trash compactor is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$6,963 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	34,317	3,445
2022	35,429	2,333
2023	<u>36,577</u>	<u>1,185</u>
Present Value of Installment Purchase Payments	<u>106,323</u>	
Total Interest Payments		<u>6,963</u>

On August 23, 2018 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2018 Kubota Skid Steer in the amount of \$55,554 for the use of the Solid Waste department. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 2.89%. The skid steer is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$3,303 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	10,790	1,302
2022	11,102	991
2023	11,422	670
2024	<u>11,753</u>	<u>340</u>
Present Value of Installment Purchase Payments	<u>45,067</u>	
Total Interest Payments		<u>3,303</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On November 15, 2018 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2018 John Deere 410L Backhoe Loader in the amount of \$146,293 for the use of the Streets department. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 3.19%. The backhoe loader is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$9,626 of interest are as follows:

<u>Governmental Activities</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	28,326	3,791
2022	29,230	2,887
2023	30,162	1,955
2024	<u>31,124</u>	<u>993</u>
Present Value of Installment Purchase Payments	<u>118,842</u>	
Total Interest Payments		<u>9,626</u>

On January 30, 2019 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a Public Works Communication System in the amount of \$127,800. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 3.19%. The communication system is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$8,409 of interest are as follows:

<u>Governmental Activities</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	24,745	3,312
2022	25,535	2,522
2023	26,349	1,708
2024	<u>27,190</u>	<u>867</u>
Present Value of Installment Purchase Payments	<u>103,819</u>	
Total Interest Payments		<u>8,409</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On March 15, 2019 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of Recreation and Street Improvements in the amount of \$945,700. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 3.63%. The splash pad, tennis court, Matrimony Creek Phase II, and the Klyce Street and Draper Landings are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$183,836 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	61,508	21,363
2022	56,620	26,251
2023	58,675	24,196
2024	60,805	22,066
2025	63,012	19,859
2025-2030	351,079	63,278
2030-2034	<u>132,990</u>	<u>6,823</u>
Present Value of Installment Purchase Payments	<u>784,689</u>	
Total Interest Payments		<u>183,836</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On November 27, 2019 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a John Deere 6120E Tractor in the amount of \$114,266 for the use of the Street department. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 2.19%. The tractor is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$7,615 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	21,874	2,502
2022	22,353	2,023
2023	22,842	1,534
2024	23,343	1,034
2025	<u>23,854</u>	<u>522</u>
Present Value of Installment Purchase Payments	<u>114,266</u>	
Total Interest Payments		<u>7,615</u>

On November 29, 2019 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a Ejector Closed Trash Trailer in the amount of \$59,223 for the use of the Solid Waste department. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 2.19%. The trailer is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$3,947 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	11,337	1,297
2022	11,586	1,048
2023	11,839	795
2024	12,098	536
2025	<u>12,363</u>	<u>271</u>
Present Value of Installment Purchase Payments	<u>59,223</u>	
Total Interest Payments		<u>3,947</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On December 12, 2019 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of (2) 2019 Ford F250 Trucks in the amount of \$63,115 for the use of the Street and Facilities & Grounds departments. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 2.19%. The trucks are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$4,068 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	11,684	1,337
2022	11,940	1,081
2023	12,201	819
2024	12,469	552
2025	<u>12,742</u>	<u>279</u>
Present Value of Installment Purchase Payments	<u>61,036</u>	
Total Interest Payments		<u>4,068</u>

On December 18, 2019 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2021 Thomas Minotour Bus in the amount of \$54,132 for the use of the Recreation department. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 2.14%. The bus is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$3,524 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	10,373	1,158
2022	10,595	936
2023	10,821	710
2024	11,053	478
2025	<u>11,290</u>	<u>242</u>
Present Value of Installment Purchase Payments	<u>54,132</u>	
Total Interest Payments		<u>3,524</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On January 24, 2020 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2019 Old Dominion Leaf Trailer in the amount of \$64,870 for the use of the Street department. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 2.14%. The trailer is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$4,223 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	12,431	1,388
2022	12,696	1,122
2023	12,968	850
2024	13,246	573
2025	<u>13,529</u>	<u>290</u>
Present Value of Installment Purchase Payments	<u>64,870</u>	
Total Interest Payments		<u>4,223</u>

On May 8, 2020 the City of Eden entered into a direct borrowing installment purchase contract to finance the construction of a fire training facility in the amount of \$466,400. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 1.69%. The fire training facility is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$23,910 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	90,180	7,882
2022	91,704	6,358
2023	93,254	4,808
2024	94,830	3,232
2025	<u>96,432</u>	<u>1,630</u>
Present Value of Installment Purchase Payments	<u>466,400</u>	
Total Interest Payments		<u>23,910</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On May 21, 2020 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of (2) 2020 Dodge Durango Police vehicles in the amount of \$88,259 for the use of the Police department. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 2.14%. The vehicles are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$5,612 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	16,516	1,845
2022	16,870	1,491
2023	17,231	1,130
2024	17,599	761
2025	<u>17,976</u>	<u>385</u>
Present Value of Installment Purchase Payments	<u>86,192</u>	
Total Interest Payments		<u>5,612</u>

On June 25, 2020 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of the City Hall Boiler System replacement in the amount of \$232,569. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 2.19%. The boiler system is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$15,500 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	44,521	5,093
2022	45,496	4,118
2023	46,492	3,122
2024	47,510	2,104
2025	<u>48,550</u>	<u>1,063</u>
Present Value of Installment Purchase Payments	<u>232,569</u>	
Total Interest Payments		<u>15,500</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On June 29, 2020 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2019 Autocar Garbage truck in the amount of \$300,221 for the use of the Solid Waste department. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 2.06%.

The future minimum payments of the installment purchase as of June 30, 2020 including \$18,576 of interest are as follows:

Governmental Activities

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	57,970	5,789
2022	58,700	5,060
2023	59,926	3,834
2024	61,170	2,589
2025	<u>62,455</u>	<u>1,304</u>
Present Value of Installment Purchase Payments	<u>300,221</u>	
Total Interest Payments		<u>18,576</u>

On June 25, 2008, the City of Eden entered into a direct borrowing installment financing agreement to finance Water and Sewer Improvements and Greenway and Downtown Revitalization in the amount of \$8,103,755. The installment contract requires principal payments beginning December 25, 2008 with interest rate of 3.58%. Mebane Bridge, Dry Creek pump station, and the Dan River Raw Water Intake are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$51,770 of interest are as follows:

Year Ending	<u>Governmental Activities</u>		<u>Enterprise Fund</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	109,658	6,260	555,382	31,635	665,040	37,895
2022	<u>92,373</u>	<u>2,300</u>	<u>465,898</u>	<u>11,575</u>	<u>558,271</u>	<u>13,875</u>
	<u>202,031</u>	<u>8,560</u>	<u>1,021,280</u>	<u>43,210</u>	<u>1,223,311</u>	<u>51,770</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Proprietary Funds

On May 17, 2007, the City of Eden entered into a direct borrowing installment purchase contract to finance water and sewer improvements in the amount of \$7,500,000. The financing contract requires principal payments beginning in the fiscal year 2008 with interest rate of 3.87%. Any pipes, valves, fittings and any other utility-type property are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$61,817 of interest are as follows:

	<u>Water and Sewer Fund</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	620,742	43,036
2022	<u>644,996</u>	<u>18,781</u>
Present Value of Installment Purchase Payments	<u>1,265,738</u>	
Total Interest Payments		<u>61,817</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On May 26, 2009 the City of Eden accepted an offer for a State Loan for a Wastewater Treatment works project under the North Carolina Clean Water Revolving Loan and Grant Act of 1987, the Federal Clean Water Act Amendments of 1987 and American Recovery and Reinvestment Act of 2009. The total ARRA assistance offered was \$714,303 to be used for Sewer Rehabilitation (Dry Creek and Smith River Phase I). The total loan to be repaid shall be one-half of the total project costs reimbursed. Principal forgiveness shall be one-half of the total project costs reimbursed. At June 30, 2011, the total loan/grant received by the City was \$569,704. According to the agreement one-half of the amount will be forgiven and one-half will be repaid. The maximum term of this loan shall not exceed 20 years at an interest rate of zero percent (0%) per annum. This note is payable solely from the revenues of the Project or benefited systems, or other available funds.

Water and Sewer Fund

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	15,507	
2022	15,507	
2023	15,507	
2024	15,507	
2025	15,507	
2025-2030	<u>77,532</u>	
Present Value of Installment Purchase Payments	<u>155,067</u>	
Total Interest Payments		<u>0</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

At June 30, 2013, the City of Eden had received \$2,154,934 from the Clean Water State Revolving Fund, of which \$1,154,934 was a loan and \$1,000,000 was loan forgiveness. The maximum term of the loan shall not exceed 20 years at an interest rate of 2.445%. The first interest payment will be due beginning November 1, 2013 and the first principal payment due beginning May 1, 2014. The note is payable solely from the revenues of the Project or benefited systems, or other available funds.

The future minimum payments of the installment purchase as of June 30, 2020 including \$128,483 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2021	57,747	18,354
2022	57,747	16,943
2023	57,747	15,531
2024	57,747	14,119
2025	57,747	12,707
2025-2030	288,733	42,357
2030-2033	<u>173,239</u>	<u>8,472</u>
Present Value of Installment Purchase Payments	<u>750,707</u>	
Total Interest Payments		<u>128,483</u>

At June 30, 2015, the City of Eden had received \$2,969,397 from the Clean Water State Revolving Fund, of which \$1,969,397 was a loan and \$1,000,000 was loan forgiveness. The maximum term of the loan shall not exceed 20 years at an interest rate of 0.00%. The first principal payment due beginning May 1, 2015. The note is payable solely from the revenues of the Project or benefited systems, or other available funds.

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2021	98,470	
2022	98,470	
2023	98,470	
2024	98,470	
2025	98,470	
2025-2030	492,349	
2030-2034	<u>393,879</u>	
Present Value of Installment Purchase Payments	<u>1,378,578</u>	
Total Interest Payments		<u>0</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

At June 30, 2016, the City of Eden had received \$4,229,128 from the Clean Water State Revolving Fund, of which \$3,229,128 was a loan and \$1,000,000 was loan forgiveness. The maximum term of the loan shall not exceed 20 years at an interest rate of 0.00%. The first principal payment due beginning May 1, 2016. The note is payable solely from the revenues of the Project or benefited systems, or other available funds.

	<u>Water and Sewer Fund</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	161,457	
2022	161,457	
2023	161,457	
2024	161,457	
2025	161,457	
2025-2030	807,282	
2030-2035	<u>807,281</u>	
Present Value of Installment Purchase Payments	<u>2,421,848</u>	
Total Interest Payments		<u>0</u>

At June 30, 2016, the City of Eden had received \$3,967,483 from the Clean Water State Revolving Fund, of which \$2,967,483 was a loan and \$1,000,000 was loan forgiveness. The maximum term of the loan shall not exceed 20 years at an interest rate of 0.00%. The first principal payment due beginning May 1, 2017. This note is payable solely from the revenues of the Project or benefited systems, or other available funds.

	<u>Water and Sewer Fund</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	148,374	
2022	148,374	
2023	148,374	
2024	148,374	
2025	148,374	
2025-2030	741,871	
2030-2035	741,871	
2035-2036	<u>148,374</u>	
Present Value of Installment Purchase Payments	<u>2,373,986</u>	
Total Interest Payments		<u>0</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On May 19, 2016 the City of Eden entered into a direct borrowing installment purchase contract to finance various Water/Sewer improvement projects in the amount of \$1,500,000. The financing contract requires principal payments beginning in the fiscal year 2016-2017 with an interest rate of 2.49%. Any pipes, valves, fittings and any other utility-type property are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$174,274 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2021	92,199	28,224
2022	94,495	25,928
2023	96,848	23,575
2024	99,260	21,163
2025	101,731	18,692
2025-2030	547,939	54,177
2030-3031	<u>101,005</u>	<u>2,515</u>
Present Value of Installment Purchase Payments	<u>1,133,477</u>	
Total Interest Payments		<u>174,274</u>

On June 27, 2017 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2017 John Deere 511M Tractor and a 2017 John Deere 410L Backhoe in the amount of \$218,230 for the use of the Collections & Distributions department. The financing contract requires principal payments beginning in the fiscal year 2017-2018 with an interest rate of 2.21%. The tractor and backhoe are pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$3,000 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2021	44,589	1,993
2022	<u>45,575</u>	<u>1,007</u>
Present Value of Installment Purchase Payments	<u>90,164</u>	
Total Interest Payments		<u>3,000</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On October 24, 2018 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2018 Ford F-150 truck in the amount of \$25,869 for the use of the Billing & Collections department. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 2.98%. The truck is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$1,587 of interest are as follows:

<u>Water and Sewer Fund</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	5,020	626
2022	5,169	476
2023	5,323	322
2024	<u>5,482</u>	<u>163</u>
Present Value of Installment Purchase Payments	<u>20,994</u>	
Total Interest Payments		<u>1,587</u>

On October 24, 2018 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a Vactor 2112 Vacuum Jet Rodding Machine in the amount of \$404,718 for the use of the Collection & Distribution department. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 2.98%. The equipment is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$24,830 of interest are as follows:

<u>Water and Sewer Fund</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	78,533	9,788
2022	80,874	7,448
2023	83,284	5,038
2024	<u>85,766</u>	<u>2,556</u>
Present Value of Installment Purchase Payments	<u>328,457</u>	
Total Interest Payments		<u>24,830</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On December 30, 2018 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2019 International Dump Truck in the amount of \$108,632 for the use of the Collection & Distribution department. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 3.19%. The dump truck is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$7,148 of interest are as follows:

<u>Water and Sewer Fund</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	21,034	2,815
2022	21,705	2,144
2023	22,397	1,452
2024	<u>23,112</u>	<u>737</u>
Present Value of Installment Purchase Payments	<u>88,248</u>	
Total Interest Payments		<u>7,148</u>

On January 30, 2019 the City of Eden entered into a direct installment purchase contract to finance the purchase of a 2019 Ford F-550 Truck in the amount of \$78,378 for the use of the Collection & Distribution department. The financing contract requires principal payments beginning in the fiscal year 2019-2020 with interest rate of 3.19%. The truck is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$5,157 of interest are as follows:

<u>Water and Sewer Fund</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	15,176	2,031
2022	15,660	1,547
2023	16,160	1,047
2024	<u>16,675</u>	<u>532</u>
Present Value of Installment Purchase Payments	<u>63,671</u>	
Total Interest Payments		<u>5,157</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

On January 24, 2020 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2019 Ford Transit Sewer Van in the amount of \$175,955 for the use of the Collection & Distribution department. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 2.14%. The van is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$11,456 of interest are as follows:

Water and Sewer Fund

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	33,717	3,766
2022	34,438	3,044
2023	35,175	2,307
2024	35,928	1,554
2025	<u>36,697</u>	<u>785</u>
Present Value of Installment Purchase Payments	<u>175,955</u>	
Total Interest Payments		<u>11,456</u>

On June 18, 2020 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2020 Ford F550 Truck in the amount of \$87,266 for the use of the Collection & Distribution department. The financing contract requires principal payments beginning in the fiscal year 2020-2021 with interest rate of 1.74%. The truck is pledged as collateral for the debt.

The future minimum payments of the installment purchase as of June 30, 2020 including \$4,608 of interest are as follows:

Water and Sewer Fund

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	16,856	1,519
2022	17,150	1,225
2023	17,448	927
2024	17,752	623
2025	<u>18,060</u>	<u>314</u>
Present Value of Installment Purchase Payments	<u>87,266</u>	
Total Interest Payments		<u>4,608</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

At June 30, 2020, the City of Eden had received \$4,432,639 from the Department of Environmental Quality - Division of Water Infrastructure, of which \$2,216,320 was a loan and \$2,216,319 was loan forgiveness. The maximum term of the loan shall not exceed 20 years at an interest rate of 0.00%. The first principal payment due not earlier than six months nor later than twelve months after the estimated date of completion of the project which is February 28, 2022. The note is payable solely from the revenues of the Project or benefited systems, or other available funds.

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2023	110,816	
2024	110,816	
2025	110,816	
2026	110,816	
2027	110,816	
2028-2032	554,080	
2033-2037	554,080	
2038-2042	<u>554,080</u>	
Present Value of Installment		
Purchase Payments	<u>2,216,320</u>	

At June 30, 2020, the City of Eden had received \$1,652,392 from the Department of Environmental Quality - Division of Water Infrastructure. The maximum term of the loan shall not exceed 20 years at an interest rate of 0.00%. The first principal payment due not earlier than six months nor later than twelve months after the estimated date of completion of the project which is November 30, 2021. The note is payable solely from the revenues of the Project or benefited systems, or other available funds.

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2022	82,620	
2023	82,620	
2024	82,620	
2025	82,620	
2026	82,620	
2029-2033	413,100	
2034-2038	413,096	
2039-2043	<u>413,096</u>	
Present Value of Installment		
Purchase Payments	<u>1,652,392</u>	

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

b. General Obligation Indebtedness

The City of Eden has no general obligation bonds serviced by the governmental funds. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system were retired by the resources of the Water and Sewer Fund during 2008-2009.

At June 30, 2020 the City of Eden had a legal debt margin of \$73,212,687.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

c. The following table summarizes the City's annual requirements to repay all long-term debts outstanding (excluding vacation pay and claims and judgments):

	<u>Installment Purchases</u>		<u>Total Due</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
<u>Governmental Activities</u>			
2020-2021	885,623	119,711	1,005,334
2021-2022	851,506	105,219	956,725
2022-2023	776,989	85,059	862,048
2023-2024	538,322	66,760	605,082
2024-2025	479,179	53,635	532,814
2025-2030	981,192	156,997	1,138,189
2030-2035	495,352	23,689	519,041
2035-2040	-	-	-
	<u>5,008,163</u>	<u>611,070</u>	<u>5,619,233</u>
<u>Water and Sewer</u>			
2020-2021	1,964,803	143,786	2,108,589
2021-2022	1,990,134	90,118	2,080,252
2022-2023	951,626	50,198	1,001,824
2023-2024	958,964	41,448	1,000,412
2024-2025	831,479	32,499	863,978
2025-2030	3,922,889	96,534	4,019,423
2030-2035	3,184,455	10,987	3,195,442
2035-2040	1,115,549	-	1,115,549
2040-2045	304,251	-	304,251
	<u>15,224,150</u>	<u>465,570</u>	<u>15,689,720</u>

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

d. Changes in Long-Term Liabilities

	<u>General Long Term Debt June 30, 2019</u>	<u>Additions</u>	<u>Retirement</u>	<u>General Long Term Debt June 30, 2020</u>	<u>Current Portion of Balance</u>
Governmental Activities					
By type of debt;					
Direct Placement					
Installment purchases	4,477,792	1,443,054	912,681	5,008,165	885,623
Compensated absences	646,405	1,289		647,694	
Other Post Employment Benefits	<u>5,781,222</u>	<u>906,508</u>	<u>25,073</u>	<u>6,662,657</u>	
Governmental Activities Long-Term Liabilities	<u>10,905,419</u>	<u>2,350,851</u>	<u>937,754</u>	<u>12,318,516</u>	<u>885,623</u>
Business-type Activities					
Direct Placement					
Installment Purchases	13,942,621	3,162,646	1,881,117	15,224,150	1,964,803
Compensated absences	161,455		4,522	156,933	
Other Post Employment Benefits	<u>1,356,089</u>	<u>212,638</u>	<u>5,882</u>	<u>1,562,845</u>	
	<u>15,460,165</u>	<u>3,375,284</u>	<u>1,891,521</u>	<u>16,943,928</u>	<u>1,964,803</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

C. Interfund Balances and Activity

Balance due to/from other funds:

Balance due to/from other funds at June 30, 2020, consists of the following:

Due to the General Fund from the Water and Sewer Fund	<u>11,447</u>
Due to General Fund from Component Unit - Eden ABC Board	<u>24,151</u>

The interfund balances resulted from the time lag between the dates that (1) transactions are recorded in the accounting system and (2) payments between funds are made.

D. Revenues, Expenditures, and Expenses

On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2020, the City of Eden has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of \$18,496 for the 22 volunteer firemen and 16 employed firemen who perform firefighting duties for the City's fire department. The volunteers and employees elected to be members of the Firefighters' and Rescue Squad Workers' Pension Fund, a cost-sharing, multiple-employer public employee retirement system established and administered by the State of North Carolina. The plan is funded by a \$10.00 monthly contribution paid by each member, investment income, and State appropriation.

E. Fund Balance

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

<u>Total fund balance-General Fund</u>	<u>10,651,957</u>
Less:	
Inventories	215,943
Prepaid Expenses	43,238
Stabilization by State Statute	2,004,040
Streets - Powell Bill	29,584
Public Safety	40,338
Historic Preservation	7,825
Economic Development	90,937
Cultural & Recreational	13,314
Working Capital/Fund Policy (3 months operating expenditures)	<u>4,005,663</u>
Remaining Fund Balance	<u>4,201,075</u>

III. Summary Disclosure of Significant Contingencies
Federal and State Assisted Programs

The City has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be covered by security interests held by the City of Eden. During 2018-2019, the City of Eden repaid to the NC Department of Commerce \$300,000 as a result of an industry not meeting the terms of a job creation agreement with the City. The repayment was covered by foreclosure of liens on property located in Eden. No other provisions have been made in the accompanying financial statements for the refund of grant moneys.

IV. EPA Administrative Order of Consent

On April 22, 2017, the Environmental Protection Agency (EPA) issued an Administrative Order of Consent to the City related to sewer overflows based on requirements of the Clean Water Act. The EPA mandated that the City had five years to remediate the sewer overflows to satisfy the administrative order, ending February 28, 2022. If the city does not meet the deadline then the City would have daily civil penalties as high as \$37,500 per day for each violation and also could potentially face additional criminal penalties. It is not anticipated, as of the date of this report, that any penalties or charges will be levied against the City, as the City has been active in remediating the sewer overflows and satisfying the administrative order. The City anticipates meeting all requirements by the deadline of February 28, 2022. Please see page 43 of this report for a summary of anticipated revenues and expenditures related to the EPA Administrative Order of Consent.

V. Claims, Judgements and Contingent Liabilities

The City of Eden contracted with the North Carolina Department of Commerce to facilitate a North Carolina Community Development Block Grant for one of the industries in the city, SGRTX in 2014 in the amount of \$750,000. SGRTX defaulted on this grant and the City initiated a foreclosure of the Loan to SGRTX to obtain the money owed to NCDOC. A junior lienholder, Piedmont Logistics Group (PLG) legally challenged the foreclosure with a temporary restraining order. A Superior Court Judge denied the restraining order and allowed the foreclosure to proceed. The foreclosure proceeded and the City was able to obtain what it owed NCDOC. PLG has subsequently filed a motion against the Trustee of the foreclosure to set aside the foreclosure. This motion was denied, but has the ability to file another motion or a new action to further its case. Their judgement was for \$103,448.68 plus pre- and post-judgement interest and the cost of the action. The ultimate outcome of this judgment cannot be predicted at the date of this report.

The City of Eden had an incident involving an off-duty police officer, in which an altercation occurred between the off-duty officer and a citizen. A criminal action resulted from this incident and a civil law suit has been threatened against the City for negligence and against the officer. This claim has been turned into the NC League for Municipalities who is handling this case for the City. Liability is strongly denied on behalf of the City in major part because this was an off-duty incident. A pre-suit mediation has been scheduled in December 2020. The ultimate outcome of this case cannot be predicted at the date of this report.

Required Supplemental Financial Data

City of Eden, North Carolina
City of Eden's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Seven Fiscal Years
Local Government Employees' Retirement System

Exhibit A-1

	2020	2019	2018	2017	2016	2015	2014
Eden's proportion of the net pension liability (asset) (%)	0.11746%	0.1183%	0.1244%	0.1250%	0.1284%	0.1284%	0.1333%
Eden's proportion of the net pension liability (asset) (\$)	\$3,207,741	\$2,805,532	\$1,900,640	\$2,652,282	\$ 576,341	\$ (756,998)	\$ 1,606,777
Eden's covered-employee payroll	\$8,755,727	\$8,514,649	\$8,276,740	\$8,070,074	\$7,527,490	\$7,444,410	\$ 7,169,405
Eden's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36.64%	32.95%	22.96%	32.86%	7.66%	(10.17)%	22.41%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

City of Eden, North Carolina
City of Eden's Contributions
Required Supplementary Information
Last Seven Fiscal Years
Local Government Employees' Retirement System

Exhibit A-2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 800,319	\$ 676,131	\$ 637,051	\$ 601,752	\$ 548,531	\$ 539,473	\$ 530,626
Contributions in relation to the contractually required contribution	<u>800,319</u>	<u>676,131</u>	<u>637,051</u>	<u>601,752</u>	<u>548,531</u>	<u>539,473</u>	<u>530,626</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Eden's covered-employee payroll	\$ 8,755,727	\$ 8,514,649	\$ 8,276,740	\$ 8,070,074	\$ 8,048,476	\$ 7,527,490	\$ 7,444,410
Contributions as a percentage of covered-employee payroll	9.14%	7.94%	7.70%	7.46%	6.82%	7.17%	7.13%

City of Eden, North Carolina
City of Eden's Proportionate Share of Net Pension Liability
Required Supplementary Information
Last Six Fiscal Years
Firefighters' and Rescue Squad Workers' Pension

Exhibit A-3

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Eden's proportion of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Eden's proportion of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with City of Eden	<u>35,132</u>	<u>54,974</u>	<u>51,432</u>	<u>40,756</u>	<u>42,989</u>	<u>38,291</u>
	<u>\$ 35,132</u>	<u>\$ 54,974</u>	<u>\$ 51,432</u>	<u>\$ 40,756</u>	<u>\$ 42,989</u>	<u>\$ 38,291</u>
Eden's covered-employee payroll	\$ 905,992	\$ 871,961	\$ 860,761	\$ 837,751	\$ 797,284	\$ 819,370
Eden's proportionate share of the net pension liability as a percentage of its covered-employee payroll	3.88%	6.30%	5.98%	4.86%	5.39%	4.67%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.69%	89.35%	84.94%	91.40%	93.42%

City of Eden, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2020

Exhibit A-4

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$2,042,190	\$2,258,738	\$1,902,543	\$1,895,625
Service Cost	56,126	67,933	63,496	64,111
Interest on the total pension liability	71,404	69,205	71,371	66,226
Change in benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	149,282	(145,747)	214,317	-
Changes of assumptions or other inputs	55,775	(70,549)	114,093	(42,308)
Benefit payments	(161,081)	(137,390)	(107,082)	(81,111)
Other changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance of the total pension liability	<u>\$2,213,696</u>	<u>\$2,042,190</u>	<u>\$2,258,738</u>	<u>\$1,902,543</u>

City of Eden, North Carolina
 Schedule of Total Pension Liability as a Percentage of Covered Payroll
 Law Enforcement Officers' Special Separation Allowance
 June 30, 2020

Exhibit A-5

	2020	2019	2018	2017
Total pension liability	\$2,213,696	\$2,042,190	\$2,258,738	\$1,902,543
Covered payroll	\$2,267,666	\$2,268,621	\$2,426,635	\$2,312,713
Total pension liability as a percentage of covered payroll	97.62%	90.02%	93.08%	82.26%

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

City of Eden, North Carolina
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2020

Exhibit A-6

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 415,829	\$ 426,793	\$ 455,720
Interest	272,158	240,721	203,624
Change in benefit terms	673,359	-	-
Differences between expected and actual experience	(242,200)	132,702	70,534
Changes of assumptions	253,701	(213,216)	(354,556)
Benefit payments	<u>(284,656)</u>	<u>(419,344)</u>	<u>(338,627)</u>
Net change in total OPEB liability	1,088,191	167,656	36,695
Total OPEB liability - beginning	<u>7,137,311</u>	<u>6,969,655</u>	<u>6,932,960</u>
Total OPEB liability - ending	<u><u>\$8,225,502</u></u>	<u><u>\$ 7,137,311</u></u>	<u><u>\$6,969,655</u></u>
Covered payroll	\$8,033,806	\$ 7,708,822	\$7,708,822
Total OPEB Liability as a percentage of covered payroll	102.39%	92.59%	92.59%

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

<u>Fiscal Year</u>	<u>Rate</u>
2020	3.50%
2019	3.89%
2018	3.56%

Individual Fund Statements & Schedules

City of Eden, North Carolina
 General Fund
 Comparative Balance Sheets
 As of June 30, 2020 and June 30, 2019

Exhibit B-1

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Assets:		
Cash and Cash Equivalents	8,821,790	8,176,989
Cash and Cash Equivalents - Restricted Deposits	69,922	25,318
Receivables (net):		
Taxes	63,896	77,483
Accounts Receivable	653,043	830,274
Due from Other Governmental Units	1,272,160	1,537,501
Due from Component Unit	24,151	16,273
Due from Other Funds	11,447	11,929
Inventories	215,943	193,065
Prepaid Expenses	43,238	83,052
Total Assets	<u><u>11,175,590</u></u>	<u><u>10,951,884</u></u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable and Accrued Liabilities	447,552	625,731
Deferred Inflows of Resources	76,081	136,311
Total Liabilities	<u><u>523,633</u></u>	<u><u>762,042</u></u>
Fund Balances:		
Non Spendable		
Inventories	215,943	193,065
Prepaid Expenses	43,238	83,052
Restricted		
Stabilization by State Statute	2,004,040	2,479,028
Streets - Powell Bill	29,584	1,739
Police Protection	40,338	23,579
Economic Development	90,937	107,812
Historic Preservation	7,825	7,825
Cultural & Recreational	13,314	10,190
Assigned		
Subsequent Year Expenditures	1,106,700	500,000
Unassigned	<u><u>7,100,038</u></u>	<u><u>6,783,552</u></u>
Total Fund Balances	<u><u>10,651,957</u></u>	<u><u>10,189,842</u></u>
Total Liabilities and Fund Balances	<u><u>11,175,590</u></u>	<u><u>10,951,884</u></u>

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Revenues:				
Ad Valorem Taxes:				
Current Year	6,041,800	73,471	6,115,271	5,905,796
Prior Years	89,700	177,946	267,646	131,797
Penalties and Interest on Taxes	37,500	14,687	52,187	37,385
Rockingham County Collection Fee				
- Vehicle Tax	(24,600)	(3,590)	(28,190)	(27,242)
Short-Term Rental Vehicle Tax	18,000	(8,480)	9,520	18,327
	<u>6,162,400</u>	<u>254,034</u>	<u>6,416,434</u>	<u>6,066,063</u>
Other Taxes & Licenses:				
Payments in Lieu of Taxes	313,300	(50,323)	262,977	480,759
Dog Taxes	1,000	(66)	934	900
Municipal Vehicle Tax	162,200	19,640	181,840	182,070
Franchise Fees	117,200	(10,196)	107,004	111,663
Privilege Licenses	800	(63)	737	725
Penalties on Privilege Licenses	-	2	2	1
Registration Fee	-	40	40	-
Occupancy Tax	77,800	(12,543)	65,257	85,804
	<u>672,300</u>	<u>(53,509)</u>	<u>618,791</u>	<u>861,942</u>
Unrestricted Intergovernmental Revenues:				
Wine and Beer Tax	68,300	(3,677)	64,623	65,046
Utilities Sales Tax	972,600	(98,716)	873,884	927,234
Solid Waste Disposal Tax	10,500	870	11,370	11,185
State Hold Harmless Payment	974,400	(46,972)	927,428	917,335
Local Options Sales Tax	1,157,400	(6,766)	1,150,634	1,116,613
Local Options Sales Tax-1/2 Cent	1,706,700	(54,943)	1,651,757	1,605,472
ABC Profit Distribution	109,900	17,732	127,632	113,350
	<u>4,999,800</u>	<u>(192,472)</u>	<u>4,807,328</u>	<u>4,756,235</u>
Restricted Intergovernmental Revenues:				
Powell Bill	462,900	(4,645)	458,255	462,904
Rockingham County	2,400	-	2,400	2,400
Controlled Substance Tax	1,000	1,156	2,156	3,582
On-Behalf of Payments				
- Fire and Rescue	18,700	(204)	18,496	15,634
Federal Drug Forfeiture	9,300	16,291	25,591	-
School Resource Officers:				
Rockingham County	161,500	(85)	161,415	159,184
Governor's Crime Commission Grant	48,200	(57)	48,143	-
Project Safe Rockingham County	20,500	(477)	20,023	20,023
Bulletproof Vest Grant	3,000	27	3,027	2,879
Duke Energy Foundation Grant	9,500	(46)	9,454	-
Duke Energy Water Resources Grant	-	-	-	100,000
COPS Grant	83,100	(3,841)	79,259	97,151
SGRTEX Foreclosure Sale	-	-	-	300,000
Get Fit Grant	23,400	16	23,416	19,360
NC Community Foundation Grant	6,900	(40)	6,860	7,398
NCDCR Spash Pad Grant	-	-	-	500,000
RCATS Transportation Grant	64,900	84	64,984	127,796
ABC Revenue for Law Enforcement	3,000	3,357	6,357	3,837
	<u>918,300</u>	<u>11,536</u>	<u>929,836</u>	<u>1,822,148</u>
Total	<u>918,300</u>	<u>11,536</u>	<u>929,836</u>	<u>1,822,148</u>

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020			2019
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Permits and Fees:				
Building Permits	36,700	807	37,507	17,065
Plumbing Permits	6,700	137	6,837	5,406
Mechanical Permits	16,000	(2,308)	13,692	13,945
Sign Permits	400	(170)	230	360
Planning Department Applications	700	315	1,015	950
Electrical Permits	15,500	8,781	24,281	11,310
Planning Department Permits	900	40	940	1,250
Building Fees	300	-	300	-
Nuisance Fees	26,000	56,975	82,975	108,950
Fire Department Permits	1,500	335	1,835	925
Total	104,700	64,912	169,612	160,161
Sales and Services:				
Concessions	42,000	(19,064)	22,936	21,491
Court Costs	3,200	1,938	5,138	5,840
Parking Violations	300	(110)	190	730
Fire Protection Charges	1,600	1,769	3,369	4,752
League Entrance Fees	5,000	(4,172)	828	1,966
County User Fees	1,500	(1,200)	300	920
Pool Admissions	15,500	(6,499)	9,001	15,473
Splash Pad Admissions	35,000	(15,423)	19,577	-
Recreation Revenues:				
Lessons	600	(109)	491	332
Dixie Youth Tournament	20,000	(6,984)	13,016	15,728
Building Use	15,000	2,517	17,517	16,781
Field Use & Lights	9,700	(7,560)	2,140	4,901
Miscellaneous	17,000	5,613	22,613	16,187
Police Security	68,000	10,248	78,248	76,799
Police Security - Fringe Benefits	13,000	2,255	15,255	14,326
Restitution	2,400	4,889	7,289	24,738
Dog Fines	2,000	405	2,405	2,470
Police Revenues	1,500	6,784	8,284	4,083
Historic Preservation Book Sales	500	46	546	342
Pottery Festival Fees	4,500	(4,300)	200	3,486
Riverfest	41,800	24	41,824	34,800
Oink & Ale Festival	9,500	(5,100)	4,400	7,550
Shaggin' on Fieldcrest	10,000	(407)	9,593	10,865
Touch-A-Truck	1,000	1,830	2,830	3,123
Grown & Gathered	10,000	1,720	11,720	10,674
Vending Machine Proceeds	7,000	400	7,400	7,501
T-Shirt/Book Sales	-	430	430	30
Street Mowing and Cleaning	9,000	2,490	11,490	9,741
Driveway Cuts	3,700	342	4,042	6,844
Solid Waste Fees - Residential	1,366,200	(516)	1,365,684	1,361,439
Solid Waste Fees - Commercial	467,700	1,866	469,566	472,093
Dumpster Late Fees	2,500	(1,950)	550	3,070
Solid Waste Demolition & Abatement	2,200	2,541	4,741	4,567
Fuel Purchases/County Agencies	6,000	(300)	5,700	6,190
Fire Dept Rental - Draper Rural	1,200	-	1,200	1,200
Police - Fingerprinting Fee	700	(175)	525	600
Total	2,196,800	(25,762)	2,171,038	2,171,632
Investment Earnings:				
Investment Earnings	156,200	(38,709)	117,491	173,486
Miscellaneous Revenue:				
Miscellaneous Revenue	7,500	(1,068)	6,432	9,597
Cash Discounts Earned	100	(71)	29	32
Sale of Materials	10,600	(6,060)	4,540	8,648
Insurance Proceeds and Refunds	60,000	12,318	72,318	50,279
Donations	-	1,000	1,000	590
Donations to Recreation	3,600	44	3,644	4,693
Donated Property	-	51,637	51,637	-
Hurricane Reimbursement - Michael	-	96,405	96,405	-
Sale of Surplus Property	-	892	892	1,938
Sale of Fixed Assets	50,000	(9,315)	40,685	15,538
	131,800	145,782	277,582	91,315
Total Revenues	15,342,300	165,812	15,508,112	16,102,982

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Expenditures:				
General Government:				
Governing Board:				
Salaries & Wages:				
Regular Salaries	51,200	5,150	46,050	45,120
FICA	4,600	1,077	3,523	3,452
Insurance & Bonds/WC	800	99	701	781
Office Supplies	1,500	870	630	225
Departmental Supplies	4,500	408	4,092	759
Commissions/Boards Appreciations	3,000	2,800	200	
Citizens Academy	2,000	531	1,469	1,623
Youth Council	4,000	2,539	1,461	2,268
Miscellaneous Expense	3,100	248	2,852	2,965
Travel	13,000	6,218	6,782	15,172
Advertising	1,200	804	396	1,593
Contracted Services	23,000	990	22,010	-
Insurance and Bonds	3,300	438	2,862	3,318
Dues & Subscriptions	24,800	50	24,750	24,707
Reimbursement - Proprietary Fund	(58,400)	8,304	(66,704)	(56,091)
Total	<u>81,600</u>	<u>30,526</u>	<u>51,074</u>	<u>45,892</u>
Administration:				
Salaries & Wages:				
Regular Salaries	110,000	12,008	97,992	110,142
FICA	8,500	1,098	7,402	7,224
Retirement Expense	13,900	4,801	9,099	11,776
Group Insurance	45,000	-	45,000	51,300
Life/AD&D/Disability Insurance	1,200	248	952	1,043
Insurance & Bonds/WC	800	99	701	781
Employee Incentives	200	175	25	67
401(k) Contributions	5,500	756	4,744	5,126
Professional Services	7,500	2,005	5,495	16
Uniforms/Laundry	200	155	45	58
Safety Equipment	200	200	-	83
Gas	4,000	2,868	1,132	1,787
Tires	500	500	-	-
Maintenance & Repair:				
Vehicles	2,500	1,947	553	552
Office Supplies	2,500	457	2,043	1,082
Departmental Supplies	1,000	754	246	1,011
Miscellaneous	1,500	316	1,184	127
Travel	3,000	2,256	744	2,680
Advertising	500	500	-	67
Contracted Services	2,000	2,000	-	-
Training	2,000	1,066	934	1,233
Insurance & Bonds	6,000	1,263	4,737	5,672
Dues & Subscriptions	3,000	1,420	1,580	1,217
Reimbursement - Proprietary Fund	-	-	-	(38,299)
Total	<u>221,500</u>	<u>36,892</u>	<u>184,608</u>	<u>164,745</u>

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Finance/Human Resources:				
Salaries & Wages:				
Regular Salaries	343,200	1,116	342,084	326,790
Overtime	500	500	-	2,394
Total Salaries & Wages	343,700	1,616	342,084	329,184
FICA	25,600	250	25,350	24,245
Retirement Expense	31,000	383	30,617	25,632
Group Insurance	68,100	-	68,100	68,100
Life/AD&D/Disability Insurance	3,500	45	3,455	3,260
Unemployment Insurance	2,000	149	1,851	900
Insurance & Bonds/WC	2,400	64	2,336	2,603
Employee Incentive	500	425	75	133
401(k) Contributions	17,300	196	17,104	16,459
Professional Services	53,700	386	53,314	43,615
Credit Card Charges	19,500	8,033	11,467	9,315
Bank Service Charge	22,000	7,520	14,480	2,673
HR Special Incentive	15,000	7,080	7,920	14,308
Office Supplies	5,000	536	4,464	5,907
Departmental Supplies	4,500	11	4,489	5,264
Wellness Program	15,000	8,933	6,067	17,181
Miscellaneous	1,500	1,256	244	6,374
Travel	3,200	1,711	1,489	1,564
Postage	8,300	1,675	6,625	7,787
Printing	2,500	323	2,177	5,161
Advertising	3,000	1,066	1,934	5,272
Contracted Services	57,500	5,248	52,252	64,504
Training	5,600	1,537	4,063	3,839
Equipment Rental	1,300	29	1,271	983
Insurance & Bonds	2,400	32	2,368	2,815
Dues & Subscriptions	1,500	285	1,215	872
Purchases for Inventory	10,000	7,462	2,538	2,573
Issues from Inventory	(8,700)	(6,302)	(2,398)	(2,481)
Reimbursement - Proprietary Fund	(364,700)	1,849	(366,549)	(448,200)
Total	352,200	51,798	300,402	219,842

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020			2019
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Planning:				
Salaries & Wages:				
Regular Salaries	302,000	1,247	300,753	288,492
Part-Time	<u>5,000</u>	<u>223</u>	<u>4,777</u>	<u>3,939</u>
Total Salaries & Wages	307,000	1,470	305,530	292,431
FICA	22,800	292	22,508	21,427
Retirement Expense	27,500	583	26,917	22,463
Group Insurance	68,100	-	68,100	66,000
Life/AD&D/Disability Insurance	3,000	90	2,910	2,839
Insurance & Bonds/WC	5,300	628	4,672	5,207
Employee Incentive	500	500	-	-
401(k) Contributions	15,800	762	15,038	14,425
Professional Services	200	98	102	159
Laundry/Uniforms	500	500	-	378
Safety Equipment	300	180	120	215
Gas	2,500	1,200	1,300	1,457
Maintenance & Repair:				
Copier	2,700	951	1,749	1,704
Building	500	393	107	202
Vehicles	3,000	2,500	500	2,394
Office Supplies	3,500	2,466	1,034	3,947
Departmental Supplies	4,000	2,075	1,925	3,891
Small Tools	300	300	-	89
Miscellaneous	500	120	380	1,267
Historic Preservation Expense	1,000	1,000	-	-
Community Appearance Expense	1,500	296	1,204	234
Tree Board Expense	500	500	-	1,100
Travel	2,000	1,051	949	137
Advertising	5,500	76	5,424	7,627
Professional Services/Programming	8,000	1,349	6,651	6,154
Contracted Services	154,000	71,606	82,394	156,986
Training	2,000	1,351	649	936
Insurance & Bonds	3,700	345	3,355	3,619
Dues & Subscriptions	4,300	13	4,287	2,005
C/O Land Improvements	-	-	-	59,779
Reimbursement-Proprietary Fund	<u>(127,900)</u>	<u>(15,914)</u>	<u>(111,986)</u>	<u>(133,955)</u>
Total	<u>522,600</u>	<u>76,781</u>	<u>445,819</u>	<u>545,117</u>

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Economic Development:				
Salaries & Wages:				
Regular Salaries	197,700	1,598	196,102	183,860
FICA	14,800	251	14,549	13,589
Retirement Expense	17,600	14	17,586	14,323
Group Insurance	40,900	-	40,900	41,000
Life/AD&D/Disability Insurance	2,200	17	2,183	2,066
Insurance & Bonds/WC	2,600	264	2,336	2,603
Employee Incentive	300	225	75	75
401(k) Contributions	9,900	75	9,825	9,193
Professional Services	2,500	288	2,212	36
Consultant Fees	2,500	-	2,500	-
Gas	2,800	1,454	1,346	1,977
Tires	500	96	404	423
Maintenance & Repair:				
Vehicles	1,800	783	1,017	1,077
Equipment	100	100	-	-
Office Supplies	2,000	491	1,509	2,071
Departmental Supplies	500	377	123	78
Pottery Festival	3,000	198	2,802	8,483
Riverfest - Donation	6,000	-	6,000	-
Miscellaneous	2,500	488	2,012	5,786
Eden Downtown Dev Corp	3,000	-	3,000	3,000
Riverfest	52,000	7	51,993	17,640
Oink & Ale Festival	11,000	8,500	2,500	13,302
Shaggin' on Fieldcrest	11,500	398	11,102	10,876
Touch-A-Truck	3,600	74	3,526	3,404
Grown & Gathered	13,000	4,145	8,855	15,935
Winterfest	2,200	88	2,112	-
Travel	2,000	311	1,689	688
Printing	800	414	386	-
Signs	-	-	-	11,181
RCC Project	12,000	-	12,000	12,000
Advertising	1,000	753	247	10,944
Contracted Services	200	200	-	300
Training	2,500	86	2,414	1,538
Insurance & Bonds	1,100	90	1,010	1,130
Dues & Subscriptions	1,200	340	860	836
C/O Equipment - Nondepreciable	1,400	82	1,318	-
C/O Equipment	-	-	-	5,100
Façade Improvements	17,000	3,225	13,775	3,000
Occupancy Tax Expenditures	42,800	2,582	40,218	35,573
Reimbursement-Proprietary Fund	(71,900)	(3,108)	(68,792)	(63,518)
Total	416,600	24,906	391,694	369,569

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Engineering:				
Salaries & Wages:				
Regular Salaries	188,500	3,433	185,067	178,093
Overtime	2,500	2,500	-	-
Total Salaries & Wages	191,000	5,933	185,067	178,093
FICA	14,700	1,229	13,471	13,167
Retirement Expense	17,200	637	16,563	13,867
Group Insurance	40,900	-	40,900	40,900
Life/AD&D/Disability Insurance	1,900	91	1,809	1,775
Insurance & Bonds/WC	5,300	428	4,872	5,217
Employee Incentive	300	275	25	-
401(k) Contributions	9,600	346	9,254	8,905
Professional Services	1,500	1,012	488	9,769
Laundry/Uniforms	200	172	28	40
Safety Equipment	500	446	54	-
Mapping Supplies	800	66	734	507
Gas	3,300	1,138	2,162	2,580
Tires	600	71	529	303
Maintenance & Repair:				
Equipment	1,500	1,175	325	
Vehicles	3,400	2,243	1,157	3,040
Office Supplies	900	656	244	195
Departmental Supplies	1,600	938	662	1,202
Small Tools & Equipment	100	50	50	-
Miscellaneous	200	161	39	20
Travel	100	100	-	-
Professional Services/Programming	1,500	1,500	-	830
Contracted Services	13,200	802	12,398	7,769
Training	400	400	-	-
Insurance & Bonds	2,800	431	2,369	2,714
Dues & Subscriptions	1,000	629	371	350
Easements	900	900	-	-
C/O Equipment - Depreciable	7,500	505	6,995	-
Reimbursement - Proprietary Fund	(279,700)	(9,264)	(270,436)	(255,561)
Total	43,200	13,070	30,130	35,682

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020			2019
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Information Technology:				
Salaries & Wages:				
Regular Salaries	123,400	686	122,714	116,720
Overtime	500	500	-	
Temporary	11,000	490	10,510	8,265
Total Salaries & Wages	134,900	1,676	133,224	124,985
FICA	9,900	532	9,368	8,743
Retirement Expense	11,600	617	10,983	9,088
Group Insurance	27,300	-	27,300	27,300
Life/AD&D/Disability Insurance	1,200	28	1,172	1,129
Insurance & Bonds/WC	600	133	467	521
Employee Incentives	300	300	-	-
401(k) Contributions	6,300	165	6,135	5,836
Professional Services	100	33	67	56
Uniforms/Laundry	400	400	-	-
Gas	200	200	-	-
Tires	500	500	-	-
Maintenance & Repair:				
Equipment	1,500	853	647	510
Vehicles	500	411	89	308
Office Supplies	1,000	760	240	1,209
Departmental Supplies	7,000	158	6,842	6,544
Other Department Supplies	22,000	383	21,617	23,805
Miscellaneous	200	195	5	63
Travel	2,000	798	1,202	2,545
Telephone	70,500	1,116	69,384	71,163
Data Transmission/WAN	50,000	3,725	46,275	44,996
Professional Services/Programming	18,000	1,052	16,948	18,546
Contracted Services	72,600	(1,168)	73,768	50,787
Training	2,000	1,609	391	1,248
Insurance & Bonds	600	8	592	603
Dues/Subscriptions	100	60	40	-
Software License Fees	27,100	3,488	23,612	22,971
C/O Equipment - Depreciable	-	-	-	168,219
C/O Equipment - Nondepreciable	31,900	71	31,829	53,358
Reimbursement - Proprietary Fund	(146,500)	21,380	(167,880)	(211,807)
Total	353,800	39,483	314,317	432,726
Total General Government	1,991,500	273,456	1,718,044	1,813,573

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Public Safety:				
Police Department:				
Salaries & Wages:				
Regular Salaries	2,294,100	4,391	2,289,709	2,230,029
Overtime	26,300	8,606	17,694	26,037
Uniforms	6,800	50	6,750	6,050
Police Security	81,600	3,885	77,715	75,372
Specialist Pay	26,400	4,546	21,854	24,162
Part-Time & Temporary	33,300	1,489	31,811	23,679
Police Pension	164,800	26	164,774	152,933
Total Salaries & Wages	2,633,300	22,993	2,610,307	2,538,262
State Retirement Expense	220,600	2,441	218,159	187,190
FICA	195,300	10,631	184,669	178,939
Retirement Expense	14,700	1,152	13,548	12,226
Group Insurance	858,100	-	858,100	912,600
Life/AD&D/Disability Insurance	28,500	2,470	26,030	25,121
Insurance & Bonds/WC	64,900	165	64,735	72,186
Employee Incentive	5,400	3,191	2,209	3,162
401(k) Contributions	121,400	943	120,457	118,340
Professional Services	11,200	669	10,531	3,277
OSHA Hepatitis B	500	500	-	-
Informants Fees	15,000	90	14,910	8,450
Laundry & Dry Cleaning	800	667	133	1,093
Safety Equipment	62,200	462	61,738	21,261
Gas	95,800	3,701	92,099	91,579
Tires	27,000	2,664	24,336	16,728
Maintenance & Repair:				
Equipment	5,000	3,321	1,679	3,220
Vehicles	66,000	2,766	63,234	54,505
Radios	6,000	605	5,395	3,911
Copier	-	-	-	6,275
Firing Range	-	-	-	321
Other Supplies - Vehicles	200	78	122	33
Office Supplies	4,700	586	4,114	3,803
Departmental Supplies	30,000	4,273	25,727	32,654
Firing Range Supplies	500	177	323	355
K-9	22,700	4,634	18,066	7,052
Humane Officer Supplies	35,000	10,102	24,898	32,128
DARE Program Supplies	8,000	498	7,502	11,452
Small Tools	200	200	-	-
Miscellaneous	7,000	3,446	3,554	3,679
Travel	15,000	582	14,418	11,953
Tow Charges	7,000	530	6,470	5,830
Printing	900	8	892	671
Advertising	200	200	-	-
Professional Services/Programming	200	-	200	-
Contracted Services	63,700	2,729	60,971	69,214
Contracted Serv - Project Safe Rock. Co.	24,400	94	24,306	24,376
Training	5,000	910	4,090	13,034
Insurance & Bonds - Deductible	-	-	-	500
Insurance & Bonds	39,900	85	39,815	45,926
Dues & Subscriptions	2,500	246	2,254	2,216

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020			2019
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Public Safety: (Continued)				
Police Department : (Continued)				
Capital Outlay:				
Vehicles - Depreciable	84,100	57	84,043	-
Equipment - Depreciable	55,000	825	54,175	19,668
Equipment - NonDepreciable	35,200	8,615	26,585	42,485
Equip - Drug Forf - Non-Depreciable	<u>9,300</u>	<u>20</u>	<u>9,280</u>	<u>1,962</u>
Total Police Department	<u>4,882,400</u>	<u>98,326</u>	<u>4,784,074</u>	<u>4,587,637</u>
Fire Department:				
Salaries & Wages:				
Regular Salaries	801,600	2,469	799,131	745,730
Specialist Pay	4,800	2,568	2,232	2,832
Part-Time	105,000	2,234	102,766	119,766
Volunteers	<u>2,800</u>	<u>937</u>	<u>1,863</u>	<u>3,633</u>
Total Salaries & Wages	914,200	8,208	905,992	871,961
Firemen & Rescue Squad Workers				
Pension Fund	18,700	204	18,496	15,634
FICA	70,400	4,463	65,937	63,506
Retirement Expense	73,300	1,617	71,683	58,248
Group Insurance	258,800	-	258,800	245,200
Life/AD&D/Disability Insurance	8,500	342	8,158	7,753
Insurance & Bonds/WC	55,500	304	55,196	60,602
Employee Incentives	1,700	1,375	325	275
401 (k) Contributions	40,900	853	40,047	37,407
Professional Services	10,000	3,176	6,824	10,662
Uniforms	7,200	1,654	5,546	5,732
Safety Equipment	3,000	3,000	-	936
Gas	12,000	1,121	10,879	11,213
Tires	3,000	1,505	1,495	270
Maintenance & Repair:				
Radios	1,800	288	1,512	1,891
Building	12,500	2,447	10,053	8,076
Equipment	10,000	1,087	8,913	3,915
Vehicles	40,000	3,466	36,534	32,592
Office Supplies	1,800	466	1,334	1,902
Departmental Supplies	13,200	1,496	11,704	12,034
Fire Prevention Program	3,000	162	2,838	1,853
Miscellaneous	1,000	447	553	1,427
Travel	1,000	1,000	-	-
Utilities - Gas	7,500	1,640	5,860	8,001
- Power	17,200	510	16,690	18,042
Printing	300	300	-	20
Advertising	200	200	-	-
Contracted Services	12,000	1,473	10,527	14,984
Training	1,200	14	1,186	162
Insurance & Bonds	22,000	289	21,711	24,931
Dues & Subscriptions	6,500	557	5,943	6,279
Capital Outlay:				
Equipment Depreciable	18,800	829	17,971	10,004
Equipment Non-Depreciable	<u>15,000</u>	<u>1,457</u>	<u>13,543</u>	<u>26,431</u>
Total Fire Department	<u>1,662,200</u>	<u>45,950</u>	<u>1,616,250</u>	<u>1,561,943</u>
Total Public Safety	<u>6,544,600</u>	<u>144,276</u>	<u>6,400,324</u>	<u>6,149,580</u>

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Transportation:				
Street Department:				
Regular Salaries	632,600	1,714	630,886	622,827
Overtime	21,000	11,295	9,705	22,701
Temporary Salaries	40,000	12,437	27,563	24,656
Total Salaries & Wages	693,600	25,446	668,154	670,184
FICA	53,100	4,484	48,616	48,946
Retirement Expense	58,500	1,168	57,332	50,361
Group Insurance	204,300	-	204,300	204,300
Life/AD&D/Disability Insurance	6,900	64	6,836	6,680
Unemployment Insurance	2,000	2,000	-	-
Insurance & Bonds/WC	24,400	2,374	22,026	24,515
Employee Incentives	1,500	1,293	207	1,033
401 (k) Contributions	32,700	671	32,029	32,276
Professional Services	3,700	697	3,003	2,178
Laundry & Dry Cleaning	6,000	2,278	3,722	1,495
Safety Equipment	9,000	2,375	6,625	3,820
Landscaping Supplies	6,000	384	5,616	5,630
Gas	48,000	1,709	46,291	41,042
Tires	12,500	1,204	11,296	14,286
Maintenance & Repair:				
Building	20,500	207	20,293	1,058
Equipment	3,000	456	2,544	2,684
Vehicles	56,000	2,823	53,177	59,632
Driveway Pipe	8,000	3,407	4,593	6,962
Patching	65,000	13,585	51,415	85,773
Sidewalks	15,000	8,743	6,257	4,455
Signs	10,000	3,522	6,478	8,120
Storm Drains	19,000	4,333	14,667	7,645
Curb and Gutter	7,300	2,168	5,132	6,156
Office Supplies	1,000	390	610	240
Departmental Supplies	2,500	506	1,994	995
Small Tools & Equipment	5,500	473	5,027	4,404
Miscellaneous	10,500	(329)	10,829	9,472
Travel	2,500	264	2,236	96
Utilities - Gas	700	198	502	638
- Power	19,000	9,531	9,469	10,674
Street Lights	270,000	9,031	260,969	276,362
Advertising	1,700	392	1,308	782
Contracted Services	9,000	1,111	7,889	4,844
Training	3,500	1,420	2,080	3,599
Equipment Rental	7,500	7,266	234	4,900
Insurance Deductibles - Damages	3,200	3,073	127	-
Insurance & Bonds	22,000	775	21,225	22,406
Dues & Subscriptions	300	63	237	-
Easements	5,000	25	4,975	4,175
C/O Improvements	108,800	(25,281)	134,081	46,671
C/O Off Road Equipment - Depreciable	114,100	1,661	112,439	201,847
C/O Vehicles	30,600	82	30,518	-
C/O Equipment - Depreciable	117,700	239	117,461	-
C/O Equipment - Non-Depreciable	7,500	204	7,296	4,964
Purchases for Inventory - Snow Removal	6,000	6,000	-	4,496
Reimbursement - Proprietary Fund	(287,000)	24,435	(311,435)	(286,473)
Total	1,827,600	126,920	1,700,680	1,604,323
Street Department				
Powell Bill - Contracted Services	467,500	34,391	433,109	471,187
Street Resurfacing - Contracted Services	-	-	-	379,900
Total Transportation	2,295,100	161,311	2,133,789	2,455,410

City of Eden, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -- Budget and Actual
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
City Garage:				
Salaries & Wages:				
Regular Salaries	253,700	56	253,644	242,716
Overtime	1,000	774	226	334
	<hr/>		<hr/>	<hr/>
Total Salaries & Wages	254,700	830	253,870	243,050
FICA	19,200	1,379	17,821	16,999
Retirement Expense	23,500	779	22,721	18,946
Group Insurance	95,400	-	95,400	95,400
Life/AD&D/Disability Insurance	3,000	2	2,998	2,904
Insurance & Bonds/WC	5,200	528	4,672	5,207
Employee Incentives	2,200	339	1,861	1,903
401 (k) Contributions	13,100	406	12,694	12,153
Professional Services	800	439	361	211
Shop Supplies	500	276	224	353
Uniforms/Laundry	600	258	342	1,333
Safety Equipment	4,300	580	3,720	2,236
Gas	2,700	1,251	1,449	2,716
Tires	2,400	1,078	1,322	803
Maintenance & Repair:				
Building	13,500	305	13,195	874
Body - Building	200	200	-	555
Equipment	5,900	35	5,865	6,779
Vehicles	3,000	1,291	1,709	479
Office Supplies	800	199	601	570
Departmental Supplies	600	68	532	289
Vending Supplies - PW	2,000	(85)	2,085	
Small Tools	1,000	66	934	1,357
Miscellaneous	1,300	518	782	711
Travel	1,700	46	1,654	639
Utilities:				
Electric	6,200	3,424	2,776	3,229
Body Utilities	3,100	505	2,595	2,530
Gas	2,000	524	1,476	1,996
Printing	-	-	-	300
Hazardous Disposal	900	378	522	830
Advertising	300	40	260	126
Contracted Services	8,700	281	8,419	4,809
Training	800	94	706	813
Insurance & Bonds	4,200	253	3,947	4,122
Dues & Subscriptions	700	463	237	1,066
C/O Building Improvements	-	-	-	-
C/O Equipment - Nondepreciable	-	-	-	2,450
Inventory Purchases - Fuel	400,000	154,024	245,976	305,908
Issues Fuel Inventory	(400,000)	(109,696)	(290,304)	(285,462)
Inventory Purchases - Tires	75,000	35,048	39,952	71,346
Issues Tire Inventory	(75,000)	(14,283)	(60,717)	(71,443)
Inventory Purchases - Parts	299,700	55,885	243,815	176,282
Issues Parts Inventory	(300,000)	(89,512)	(210,488)	(164,810)
Reimbursement - Proprietary Fund	(115,300)	(5,156)	(110,144)	(117,780)
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Total	368,900	43,060	325,840	352,779

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020		2019	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Facilities & Grounds:				
Facilities & Grounds:				
Regular Salaries	325,300	5,131	320,169	260,116
Overtime	2,500	1,187	1,313	1,504
Temporary/Part-Time	40,000	15,843	24,157	43,385
Total Salaries & Wages	367,800	22,161	345,639	305,005
FICA	27,700	2,664	25,036	22,056
Retirement Expense	28,800	46	28,754	20,387
Group Insurance	122,600	-	122,600	95,400
Life/AD&D/Disability Insurance	4,000	431	3,569	2,530
Unemployment Insurance	500	500	-	-
Insurance & Bonds/WC	7,200	761	6,439	7,254
Employee Incentives	900	476	424	386
401 (k) Contributions	16,600	537	16,063	13,077
Professional Services	1,200	139	1,061	386
Laundry & Dry Cleaning	3,400	396	3,004	1,518
Safety Equipment	2,500	1,309	1,191	2,017
Landscaping Supplies	21,000	(5,012)	26,012	17,311
Gas	18,000	2,547	15,453	15,902
Tires	4,000	1,869	2,131	2,229
Maintenance & Repair:				
Vehicles	15,000	10,110	4,890	4,411
Equipment	7,500	1,187	6,313	9,652
Buildings	95,000	(697)	95,697	88,606
Parking Lots	-	-	-	49,077
Greenways	-	-	-	2,986
Office Supplies	600	189	411	432
Departmental Supplies	22,000	(898)	22,898	23,495
Vending Supplies	7,000	1,652	5,348	7,074
Small Tools & Equipment	2,500	167	2,333	1,212
Miscellaneous	2,500	1,376	1,124	193
Travel	500	500	-	-
Utilities - Gas	17,600	4,117	13,483	21,784
- Electric	62,300	7,744	54,556	63,590
Advertising	300	300	-	-
Contracted Services	114,000	17,918	96,082	104,993
Training	500	500	-	-
Insurance & Bonds	7,600	583	7,017	7,540
Dues/ Subscriptions	200	40	160	158
C/O Building Improvement	253,300	20,731	232,569	218,661
C/O Vehicles	35,000	4,482	30,518	-
C/O Equipment - Nondepreciable	7,000	(1,673)	8,673	-
Reimbursement - Proprietary Fund	(527,700)	(41,483)	(486,217)	(563,776)
Total	748,900	55,669	693,231	545,546

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020			2019
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Environmental Protection:				
Solid Waste:				
Regular Salaries	372,600	5,289	367,311	388,325
Overtime	10,000	2,281	7,719	8,407
Temporary/Part-Time	<u>27,600</u>	<u>1,551</u>	<u>26,049</u>	<u>23,366</u>
Total Salaries & Wages	410,200	9,121	401,079	420,098
FICA	30,900	1,656	29,244	30,634
Retirement Expense	34,300	735	33,565	30,687
Group Insurance	163,500	-	163,500	149,900
Life/AD&D/Disability Insurance	4,800	74	4,726	4,130
Insurance & Bonds/WC	19,000	526	18,474	19,545
Employee Incentives	1,000	743	257	1,889
401 (k) Contributions	19,200	448	18,752	19,837
Professional Services	3,200	711	2,489	1,106
Laundry & Dry Cleaning	3,800	1,917	1,883	2,564
Safety Equipment	6,000	1,545	4,455	3,214
Refuse Collection Supplies	9,000	193	8,807	14,770
Gas	70,000	1,589	68,411	67,456
Tires	26,000	3,246	22,754	20,590
Maintenance & Repair:				
Vehicles	130,000	40,051	89,949	75,139
Equipment	4,000	1,997	2,003	4,559
Building	24,000	1,729	22,271	17,262
Office Supplies	2,300	1,431	869	494
Departmental Supplies	3,000	1,216	1,784	2,559
Small Tools & Equipment	2,500	1,315	1,185	474
Miscellaneous	7,000	1,188	5,812	5,191
Travel	1,500	924	576	-
Utilities:				
Gas	700	221	479	638
Power	12,500	6,657	5,843	4,911
Printing	1,300	387	913	265
Advertising	5,000	536	4,464	4,142
Contracted Services	370,000	(1,098)	371,098	288,224
Training	800	670	130	2,358
Equipment Rental	300	-	300	-
Containers - Commercial	445,900	4,092	441,808	447,693
Insurance Deductibles - Damages	-	-	-	500
Insurance & Bonds	21,400	1,080	20,320	21,981
Dues/ Subscriptions	2,200	281	1,919	2,069
Capital Outlay:				
Building Improvement		-	-	16,400
Vehicles	310,000	9,779	300,221	-
Equipment - Nondepreciable		-	-	3,380
Equipment - Depreciable	<u>95,700</u>	<u>36,477</u>	<u>59,223</u>	<u>6,901</u>
Total	<u>2,241,000</u>	<u>131,437</u>	<u>2,109,563</u>	<u>1,691,560</u>

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020			2019
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Cultural and Recreational:				
Recreation Department:				
Salaries - Regular	394,500	1,313	393,187	378,846
Overtime	800	547	253	194
Part-Time	10,000	1,025	8,975	10,408
Temporary	100,000	44,475	55,525	51,336
Total Salaries & Wages	505,300	47,360	457,940	440,784
FICA	38,200	4,514	33,686	32,369
Retirement Expense	35,800	610	35,190	29,503
Group Insurance	122,600	-	122,600	136,300
Life/AD&D/Disability Insurance	3,900	29	3,871	3,802
Unemployment Insurance	700	700	-	-
Insurance & Bonds/WC	6,700	104	6,596	7,109
Employee Incentives	800	650	150	150
401 (k) Contributions	20,500	841	19,659	18,946
Professional Services - Medical	300	80	220	352
Professional Services	11,300	8,132	3,168	-
Laundry & Dry Cleaning	300	300	-	106
Safety Equipment	4,500	2,543	1,957	1,776
Gas	4,000	1,785	2,215	2,133
Tires	2,000	1,217	783	784
Maintenance & Repair:				
Building	12,000	3,427	8,573	12,885
Pool	10,000	10,000	-	-
Equipment	7,500	7,412	88	262
Vehicles	7,000	6,361	639	1,470
Office Supplies	3,500	1,769	1,731	3,176
Departmental Supplies	1,500	674	826	2,207
Pool Supplies	7,500	1,611	5,889	6,897
Dixie Youth Tournament	20,000	3,800	16,200	15,355
Program Activities	21,500	2,652	18,848	19,540
Senior Citizens	17,000	1,491	15,509	16,809
Small Tools & Equipment	200	200	-	15
Miscellaneous	3,700	1,598	2,102	2,042
Travel	1,000	657	343	823
Utilities:				
Gas	11,500	2,560	8,940	13,159
Power	60,000	4,619	55,381	57,973
Pool	5,200	1,141	4,059	2,803
Dumpster	4,600	(199)	4,799	794
Printing	800	800	-	-
Advertising	3,000	374	2,626	3,020
Contracted Services	1,200	540	660	1,561
Training	500	399	101	140
Rents	2,000	50	1,950	1,925
Insurance & Bonds	9,700	81	9,619	9,082
Dues & Subscriptions	1,100	(598)	1,698	1,024
Fourth of July Celebration	5,000	-	5,000	5,000
Purchases for Inventory:				
Splash Pad	6,000	2,406	3,594	-
Bridge Street	1,500	1,140	360	2,362
Draper Center	4,000	2,683	1,317	2,117
Mill Avenue Pool	3,000	2,413	587	1,113
Freedom Park	16,000	13,855	2,145	9,253
Total Operating Expenses	1,004,400	142,781	861,619	866,921
Capital Outlay:				
Land Improvements	61,000	26,895	34,105	906,280
Building Improvements	5,000	-	5,000	-
Vehicles	58,000	3,868	54,132	-
Land	-	(51,637)	51,637	-
Capital Outlay	124,000	(20,874)	144,874	906,280
Total Cultural & Recreation	1,128,400	121,907	1,006,493	1,773,201

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020			2019
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Special Appropriations:				
Contributions to Library	2,600	-	2,600	2,600
Contributions to Chamber of Commerce	15,000	-	15,000	15,000
Contributions - Undesignated	5,000	750	4,250	2,500
Contributions to Rescue Squad	12,000	-	12,000	12,000
Contributions to Board of Elections	14,600	1,165	13,435	-
Contributions to RCATS Transport	72,300	(7,121)	79,421	142,000
Matrimony Creek Nature Trail	26,100	85	26,015	10,942
Klyce Str/Draper Landing River Access	16,000	63	15,937	92,334
Freedom Park Nature/Educ Trail	6,900	153	6,747	-
Downtown Parking - Leaksville	-	-	-	7,382
Public Space - Draper	-	-	-	22,099
Eden Otter Habitat	9,500	46	9,454	-
Contributions to Rockingham County Arts Council	2,000	-	2,000	2,000
Contribution to Eden Historical Museum	3,600	-	3,600	3,600
Contribution to Eden Preservation Society	1,000	-	1,000	1,000
Contribution to Get Fit Eden	23,400	5,302	18,098	16,644
Strategic Plan	200,000	52,695	147,305	60,955
Strategic Plan - C/O	100,000	78,705	21,295	-
Contribution to Morehead High School	500	500	-	93
Grogan Park	2,200	6	2,194	1,244
Building Reuse Grant Repayment	-	-	-	300,000
Refund - Payment in Lieu	-	-	-	157,839
Performance/Incentive Agreements	123,600	3,548	120,052	120,080
Total Special Appropriations	<u>636,300</u>	<u>135,897</u>	<u>500,403</u>	<u>970,312</u>
Debt Service				
Principal Retirement - Planning	-	-	-	4,929
Interest	-	-	-	74
Principal Retirement - Info Technology	24,000	20	23,980	-
Interest	4,100	23	4,077	-
Principal Retirement - Street	118,700	116	118,584	79,607
Interest	7,900	330	7,570	2,596
Principal Retirement - Powell Bill	62,600	77	62,523	57,710
Interest	27,500	88	27,412	32,225
Principal Retirement - Police	156,900	36	156,864	153,566
Interest	6,600	20	6,580	7,345
Principal Retirement - Fire	41,000	94	40,906	39,994
Interest	14,000	75	13,925	14,837
Principal Retirement - Facilities & Grnds	65,100	108	64,992	62,686
Interest	5,600	120	5,480	6,864
Principal Retirement - Solid Waste	178,200	213	177,987	213,201
Interest	12,500	253	12,247	16,358
Principal Retirement - 2008 Loan	266,900	54	266,846	102,145
Interest	52,600	46	52,554	13,773
	<u>1,044,200</u>	<u>1,673</u>	<u>1,042,527</u>	<u>807,910</u>
Non Departmental				
Salary Adjustments	50,000	50,000	-	-
Contingency	-	-	-	-
Bad Debt Expense	85,000	(7,438)	92,438	37,361
	<u>135,000</u>	<u>42,562</u>	<u>92,438</u>	<u>37,361</u>
Total Expenditures	<u>17,133,900</u>	<u>1,111,248</u>	<u>16,022,652</u>	<u>16,597,232</u>
Revenues Over (Under) Expenditures	<u>(1,791,600)</u>	<u>1,277,060</u>	<u>(514,540)</u>	<u>(494,250)</u>
Other Financing Sources (Uses):				
Operating Transfers to Other Funds: Self-Insurance Fund	-	-	-	-
Operating Transfers from Other Funds: Grogan Park Fund	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

City of Eden, North Carolina
 General Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance -- Budget and Actual
 For Fiscal Year Ended June 30, 2020
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit B-2

	2020			2019
	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Actual</u>	<u>Actual</u>
Proceeds from Installment Purchases	1,146,500	(169,845)	976,655	1,275,347
Fund Balance Appropriated	645,100	(645,100)	-	-
Total Other Financing Sources (Uses)	1,791,600	(814,945)	976,655	1,275,347
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	462,115	462,115	781,097
Fund Balances:				
Beginning of Year, July 1			10,189,842	9,408,745
End of Year, June 30			10,651,957	10,189,842

City of Eden, North Carolina
Combining Balance Sheets
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2020
(With Comparative Total Amounts as of June 30, 2019)

Exhibit B-3

	Capital Project Fund <u>Fire Training Facility</u>	Special Revenue Fund	Total Non-Major Governmental Funds	
			<u>June 30 2020</u>	<u>June 30 2019</u>
Assets				
Current Assets:				
Cash and Cash Equivalents	<u>104,019</u>	<u>35,436</u>	<u>139,455</u>	<u>40,569</u>
Total Assets	<u><u>104,019</u></u>	<u><u>35,436</u></u>	<u><u>139,455</u></u>	<u><u>40,569</u></u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	<u>14,158</u>	<u>-</u>	<u>14,158</u>	<u>-</u>
Fund Balances:				
Restricted -				
Public Safety	89,861		89,861	8,972
Economic Development		<u>35,436</u>	<u>35,436</u>	<u>31,597</u>
	<u>89,861</u>	<u>35,436</u>	<u>125,297</u>	<u>40,569</u>
Total Liabilities and Fund Balances	<u><u>104,019</u></u>	<u><u>35,436</u></u>	<u><u>139,455</u></u>	<u><u>40,569</u></u>

City of Eden, North Carolina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2020
(With Comparative Total Amounts as of June 30, 2019)

Exhibit B-4

	Capital Project Fund Fire Training Facility	Total Special Revenue Funds	Total Non-Major Governmental Funds	
			June 30 2020	June 30 2019
Revenues:				
Ad Valorem Taxes	-	11,035	11,035	10,331
Restricted Public Contributions	4,000	-	4,000	8,972
Investment Earnings	-	71	71	11
Total Revenues	4,000	11,106	15,106	19,314
Expenditures:				
Public Safety	389,511	-	389,511	-
Economic & Physical Development	-	7,267	7,267	8,023
Total Expenditures	389,511	7,267	396,778	8,023
Revenues and other Sources Over (Under) Expenditures	(385,511)	3,839	(381,672)	11,291
Other Financing Sources (Uses):				
Loan Proceeds	466,400		466,400	-
Net change in fund balance	80,889	3,839	84,728	11,291
Fund Balances:				
Beginning of Year, July 1	8,972	31,597	40,569	24,015
End of Year, June 30	89,861	35,436	125,297	35,306

City of Eden, North Carolina
 Capital Projects Fund - Fire Training Facility
 Comparative Balance Sheets
 Governmental Funds
 June 30, 2020 and 2019

Exhibit B-5

	June 30, 2020	June 30, 2019
Assets:		
Cash and Cash Equivalents	104,019	8,972
Accounts Receivable	-	-
 Total Assets	 104,019	 8,972
 Liabilities and Fund Balance:		
Liabilities		
Accounts Payable	14,158	-
Fund Balances:		
Restricted - Public Safety	89,861	8,972
 Total Liabilities and Fund Balances	 104,019	 8,972

City of Eden, North Carolina
 Capital Projects Fund - Fire Training Facility
 Schedule of Revenues and Expenditures
 Budget and Actual (NON GAAP)
 From Inception and For Fiscal Year Ended June 30, 2020

Exhibit B-6

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2019</u>	<u>Year Ended June 30, 2020</u>	<u>Total Inception to June 30, 2020</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Fire Training Facility Donations	<u>9,000</u>	<u>8,972</u>	<u>4,000</u>	<u>12,972</u>	<u>3,972</u>
Total Revenues	<u>9,000</u>	<u>8,972</u>	<u>4,000</u>	<u>12,972</u>	<u>3,972</u>
Expenditures:					
Capital Outlay	<u>475,400</u>	<u>-</u>	<u>389,511</u>	<u>389,511</u>	<u>85,889</u>
Total Expenditures	<u>475,400</u>	<u>-</u>	<u>389,511</u>	<u>389,511</u>	<u>85,889</u>
Revenues Over (Under) Expenditures	(466,400)	8,972	(385,511)	(376,539)	89,861
Other Financing Sources/(Uses):					
Loan Proceeds	466,400	-	466,400	466,400	-
Net Change in fund balance	<u><u>-</u></u>	<u><u>8,972</u></u>	<u><u>80,889</u></u>	<u><u>89,861</u></u>	<u><u>89,861</u></u>
Fund Balance					
Beginning of Year, July 1			<u>8,972</u>		
End of Year, June 30			<u><u>89,861</u></u>		

City of Eden, North Carolina
Municipal Service District Tax
Comparative Balance Sheets
As of June 30, 2020 and 2019

Exhibit C-1

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assets:		
Cash and Investments	<u>35,436</u>	<u>31,597</u>
Total Assets	<u><u>35,436</u></u>	<u><u>31,597</u></u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable and Retainage Payable	-	-
Deferred Revenue	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Fund Balance:		
Restricted for Municipal Services	<u>35,436</u>	<u>31,597</u>
Total Liabilities and Fund Equity	<u><u>35,436</u></u>	<u><u>31,597</u></u>

City of Eden, North Carolina
Special Revenue Fund - Municipal Service District Tax
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -- Budget and Actual
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit C-2

	2020			2019
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Revenues:				
Ad Valorem Taxes:				
Current Year - Leaksville	7,600	971	8,571	7,790
Current Year - Draper	1,900	122	2,022	1,830
Prior Year - Leaksville	-	184	184	89
Prior Year - Draper	-	130	130	116
Interest Income from Tax Collections:				
Current Year - Leaksville	-	55	55	34
Current Year - Draper	-	22	22	10
Prior Year - Leaksville	-	17	17	583
Prior Year - Draper	-	34	34	378
Interest Income	100	(29)	71	73
Total Revenues	9,600	1,506	11,106	10,903
Expenditures:				
Economic & Physical Development:				
Leaksville	7,600	5,138	2,462	3,500
Draper	2,000	(2,805)	4,805	2,140
Total Expenditures	9,600	2,333	7,267	5,640
Revenues Over (Under) Expenditures	-	3,839	3,839	5,263
Other Financing Sources (Uses):				
Fund Balance Appropriated		-	-	-
Transfers from (to) General Fund	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures	-	3,839	3,839	5,263
Fund Balance				
Beginning of Year, July 1			31,597	26,334
End of Year, June 30			35,436	31,597

City of Eden, North Carolina
Water and Sewer Fund
Comparative Balance Sheets
As of June 30, 2020 and 2019

Exhibit D-1

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Assets:		
Current Assets:		
Cash and Investments	5,284,734	4,550,216
Cash - Restricted Deposits	348,610	334,520
Accounts Receivable (net of estimated uncollectible accounts in the amount of \$712,251 and \$682,593 respectively)	495,507	492,321
Other Receivables	1,568,073	2,379,140
Inventory	289,047	272,070
Unbilled Water Receivables	1,135,813	1,177,428
Prepaid Expenses	<u>3,245</u>	<u>12,864</u>
Total Current Assets	9,125,029	9,218,559
Non Current Assets:		
Capital Assets Net of Accumulated Depreciation	<u>65,919,477</u>	<u>59,349,428</u>
Total Assets	<u>75,044,506</u>	<u>68,567,987</u>
Deferred Outflows of Resources - Contribution to Pension Plan	464,549	527,800
Deferred Outflows of Resources - OPEB	<u>178,997</u>	<u>102,352</u>
Total Deferred Outflows of Resources	<u>643,546</u>	<u>630,152</u>
Total Assets and Deferred Outflows of Resources	<u>75,688,052</u>	<u>69,198,139</u>
Liabilities and Net Position:		
Current Liabilities:		
Accounts Payable and Retainage Payable	1,162,331	681,629
Due to grantor's agency	403,373	
Bonds and Installment Purchases Payable - Current Maturities	1,964,803	1,881,118
Due to Other Funds	11,447	11,929
Customer Deposits	<u>348,610</u>	<u>334,520</u>
Total Current Liabilities	<u>3,890,564</u>	<u>2,909,196</u>
Other Liabilities:		
Accrued Vacation Pay	156,933	161,455
Total OPEB Liability	1,562,845	1,356,089
Net Pension Liability	769,858	673,328
Bonds and Installment Purchases Payable - Long-Term Portion	<u>13,259,347</u>	<u>12,061,503</u>
Total Other Liabilities	<u>15,748,983</u>	<u>14,252,375</u>
Total Liabilities	<u>19,639,547</u>	<u>17,161,571</u>
Deferred Inflows of Resources:		
Other Deferred Inflows of Resources	14,679	44,039
OPEB Deferrals	106,768	84,163
Pension Deferrals	<u>16</u>	<u>3,508</u>
Total Deferred Inflows of Resources	<u>121,463</u>	<u>131,710</u>
Net Position in Water & Sewer Fund	<u>55,927,042</u>	<u>51,904,858</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>75,688,052</u>	<u>69,198,139</u>

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues, Expenses, and Changes in Net Position
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-2

	2020	2019
Operating Revenue:		
Water Sales	4,569,825	4,447,702
Sewer Charges	5,999,719	8,169,291
Water Tap Fees	21,398	2,380
Reconnection Fees	199,402	266,395
Sewer Tap Fees	2,458	2,395
Pretreatment Sewer Charges	42,150	44,700
Other Operating Income	54,518	51,950
Application Fees	18,315	18,430
	10,907,785	13,003,243
Less: Discounts and Leak Adjustments	(92,199)	(102,917)
Total Operating Revenue	10,815,586	12,900,326
Operating Expenses		
W/S Administration	484,900	648,665
Billing and Collections	485,305	491,419
Water Filtration	1,235,683	1,209,010
Maintenance	1,779,910	1,774,079
Waste Treatment	1,196,025	1,149,146
Water and Sewer Resources	568,889	551,939
Depreciation Expense	2,448,515	2,306,835
Pension Expense	156,289	26,637
Non-Departmental	1,960,144	2,175,460
OPEB Expense	152,716	47,829
Bad Debt Expense	29,658	49,246
Settlement Payment	-	77,993
Water Construction Maintenance	-	6,216
Sewer Construction Maintenance	15,311	1,295
	10,513,345	10,515,769
Total Operating Expenses	10,513,345	10,515,769
Net Operating Income (Loss)	302,241	2,384,557
Non-Operating Income:		
Interest Income:		
Water and Sewer Operating Fund	76,541	120,870
Cash Discounts Earned	51	65
Sale of Fixed Assets	79,703	10,367
Sale of Surplus Property	-	4,388
Insurance Proceeds	8,455	4,627
	164,750	140,317
Non-Operating Deductions:		
Interest Expense	189,630	209,751
Capital Contributions:		
Duke Energy Reimbursement	29,359	100,961
Rock County Reimbursement - Land Purchase	-	750,000
NC Connect Bond Grant	1,247,033	969,286
EDA Grant	1,827,058	-
Drinking Water Reserve Grant	550,798	-
Special Legislative Grant	39,235	-
Hurricane Reimbursement	51,340	-
	3,744,823	1,820,247
Change in Net Position	4,022,184	4,135,370
Total Net Position in Water and Sewer, Beginning of Year	51,904,858	47,769,488
Net Position in Water and Sewer, End of Year	55,927,042	51,904,858

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Cash Flows
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-3

	2020	2019
Cash Flows from Operating Activities:		
Cash Received from Customers	11,635,722	10,977,676
Cash Paid for Goods and Services	(4,418,081)	(5,281,343)
Cash Paid to Employees	(2,465,549)	(2,456,726)
Customer Deposits Received	99,630	96,095
Customer Deposits Returned	(85,540)	(87,585)
Net Cash Provided by Operating Activities	4,766,182	3,248,117
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(9,018,564)	(5,478,934)
Principal Paid on Bond and Installment Purchases	(1,881,118)	(1,738,769)
Interest Paid on Bond and Installment Purchases	(189,630)	(209,751)
Miscellaneous	51	65
Insurance Proceeds	8,455	4,627
Proceeds from Sale of Capital Assets	79,703	10,367
Proceeds from Sale of Surplus Property	-	4,388
Proceeds from Special Legislative Grant - Cov Branch	39,235	-
Proceeds from NC Connect Bond Grant	1,247,033	969,286
Proceeds from EDA Grant	1,827,058	-
Proceeds from Drinking Water Reserve Grant	550,798	-
Proceeds from Rockingham County - Land Purchase	-	750,000
Proceeds from Duke Energy Reimbursement	29,359	100,961
Proceeds from Hurricane Reimbursement	51,340	-
Proceeds from Installment Loan	3,162,645	1,586,883
	(4,093,635)	(4,000,877)
Cash Flows from Non-Capital (Use of Funds)		
Due to/from Other Funds	(482)	113
Cash Flows from Investing Activities:		
Interest on Investments	76,541	120,870
Net Increase (Decrease) in Cash and Cash Equivalents	748,606	(631,777)
Cash and Cash Equivalents:		
Beginning of Year, July 1	4,884,735	5,516,512
End of Year, June 30	5,633,341	4,884,735

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Cash Flows
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-3

	2020	2019
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	302,241	2,384,557
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,448,515	2,306,835
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(3,186)	(28,349)
(Increase) Decrease in Unbilled Water Receivables and Assessments Receivable	41,615	15,243
(Increase) Decrease in Other Receivables	811,067	(1,953,583)
(Increase) Decrease in Inventories	(16,977)	(626)
(Increase) Decrease in Prepaid Expense	9,619	13,257
(Increase) Decrease in Deferred Outflows of Resources	(13,394)	(189,377)
Increase (Decrease) in Net Pension Liability	96,530	217,174
Increase (Decrease) in Accounts Payable, Retainage Payable, Accrued Liabilities	480,702	396,210
Increase (Decrease) in Due to grantor's agency	403,373	
Increase (Decrease) in Customer Deposits	14,090	8,510
Increase (Decrease) in Accrued Vacation Pay	(4,522)	(12,442)
Increase (Decrease) in Post Employment Benefits	206,756	31,855
Increase (Decrease) in Deferred Inflows of Resources	(10,247)	58,853
Net Cash Provided by Operating Activities	4,766,182	3,248,117

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Revenues:				
Charges for Services:				
Water Sales	4,528,600	41,225	4,569,825	4,447,702
Sewer Charges	4,890,400	1,109,319	5,999,719	8,169,291
Water Tap Fees	5,000	16,398	21,398	2,380
Reconnection Fees	223,000	(23,598)	199,402	266,395
Sewer Tap Fees	1,600	858	2,458	2,395
Pretreatment Sewer Charges	34,000	8,150	42,150	44,700
Water Service Application Fees	20,000	(1,685)	18,315	18,430
Total Charges for Services	9,702,600	1,150,667	10,853,267	12,951,293
Other Operating Revenues:				
Sale of Materials	1,600	(1,200)	400	2,751
Miscellaneous Revenue	2,300	41	2,341	(241)
Miscellaneous Returned Check Fees	3,000	(975)	2,025	2,244
Equipment Rental	52,900	(1,213)	51,687	49,251
One-Time Pool Adjustments	(1,600)	(555)	(2,155)	(2,155)
Civil Penalties	-	220	220	100
Total Other Operating Revenues	58,200	(3,682)	54,518	51,950
Total Operating Revenues before Leak Adjustments	9,760,800	1,146,985	10,907,785	13,003,243
Less: Leak Adjustments	153,600	61,401	92,199	102,917
Total Operating Revenues	9,607,200	1,208,386	10,815,586	12,900,326
Non-Operating Revenues:				
Spec Legislative Grant - Cov Branch	-	39,235	39,235	-
NC Rural Center Grant - New Street	920,000	(920,000)	-	-
Duke Energy Reimbursement	-	29,359	29,359	100,961
Rockingham Co Reimb - Land Purchase	-	-	-	750,000
Hurricane Reimbursement	-	51,340	51,340	-
Interest Earned on Investments	111,900	(35,359)	76,541	120,870
Cash Discounts Earned	200	(149)	51	65
Sales of Capital Assets	25,000	54,703	79,703	10,367
Sales of Surplus Property	-	-	-	4,388
Insurance Proceeds	7,300	1,155	8,455	4,627
Total Non-Operating Revenues	1,064,400	(779,716)	284,684	991,278
Total Revenue	10,671,600	428,670	11,100,270	13,891,604

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>	<u>Actual</u>
Expenditures:				
Water and Sewer Administration:				
Salaries & Wages:				
Regular Salaries	360,000	43,067	316,933	396,214
Overtime	1,000	396	604	690
Part-Time	12,000	195	11,805	44,592
Total Salaries & Wages	373,000	43,658	329,342	441,496
FICA	31,800	6,677	25,123	27,671
Retirement Expense	53,500	22,986	30,514	48,884
Group Insurance	64,100	-	64,100	67,864
Life/AD&D/Disability Insurance	3,200	656	2,544	3,046
Insurance & Bonds W/C	2,800	432	2,368	2,720
Employee Incentives	500	475	25	187
401(k) Contribution	18,500	3,371	15,129	17,586
Professional Services	3,000	2,976	24	44
Laundry & Dry Cleaning	500	332	168	32
Safety Equipment	500	350	150	195
Gas	8,000	6,588	1,412	6,501
Tires	800	800	-	-
Maintenance and Repair:				
Vehicles	1,500	1,331	169	297
Office Supplies	4,500	3,123	1,377	1,947
Departmental Supplies	3,000	1,987	1,013	1,271
Miscellaneous	1,800	1,471	329	634
Travel	10,000	7,374	2,626	10,894
Advertising	2,000	2,000	-	2,348
Contracted Services	2,000	2,000	-	-
Training	5,000	3,958	1,042	4,962
Insurance & Bonds	5,100	166	4,934	5,026
Dues & Subscriptions	6,000	3,489	2,511	5,060
C/O Equipment - Non-Depreciable	1,000	1,000	-	-
Total	602,100	117,200	484,900	648,665

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Actual</u>	<u>Actual</u>
Water and Sewer Resources:				
Salaries & Wages:				
Regular Salaries	345,000	5,039	339,961	332,142
Overtime	11,500	3,911	7,589	8,666
Total Salaries & Wages	356,500	8,950	347,550	340,808
FICA	25,400	294	25,106	23,728
Retirement Expense	30,700	(109)	30,809	25,809
Group Insurance	109,000	-	109,000	109,000
Life/AD&D/Disability Insurance	3,300	331	2,969	3,277
Insurance & Bonds W/C	2,900	386	2,514	2,837
Employee Incentives	250	45	205	75
401(k) Contribution	17,600	388	17,212	16,556
Professional Services	1,800	44	1,756	982
Laundry & Dry Cleaning	2,250	1,645	605	537
Safety Equipment	3,300	1,341	1,959	1,490
Gas	4,000	1,631	2,369	2,485
Tires	1,500	529	971	1,232
Maintenance and Repair:				
Vehicles	3,500	1,474	2,026	1,180
Equipment	200	89	111	92
Building	3,000	2,033	967	134
Office Supplies	300	216	84	298
Departmental Supplies	5,000	1,983	3,017	2,676
Small Tools and Equipment	1,500	473	1,027	1,303
Miscellaneous	-	-	-	172
Travel	1,700	15	1,685	
Utilities - Electric	6,000	1,779	4,221	4,302
Utilities - Gas	2,500	874	1,626	1,966
Training	4,300	1,768	2,532	3,749
Insurance & Bonds	7,000	92	6,908	7,037
Dues & Subscriptions	500	(64)	564	214
C/O Equipment - Non-Depreciable	1,100	4	1,096	-
Total	595,100	26,211	568,889	551,939

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Billing and Collections:				
Salaries & Wages:				
Regular Salaries	195,000	20,648	174,352	206,704
Overtime	1,400	1,334	66	1,187
Part-Time	33,500	11,702	21,798	21,504
	<hr/>		<hr/>	<hr/>
Total Salaries & Wages	229,900	33,684	196,216	229,395
FICA	16,900	1,664	15,236	16,779
Retirement Expense	18,700	2,120	16,580	16,281
Group Insurance	81,800	-	81,800	88,600
Life/AD&D/Disability Insurance	2,300	39	2,261	2,235
Unemployment Insurance	1,500	883	617	316
Insurance & Bonds W/C	2,400	49	2,351	2,898
Employee Incentives	2,500	849	1,651	55
401(k) Contributions	11,400	2,137	9,263	10,449
Professional Services	300	210	90	306
Credit Card Charges	45,000	4,083	40,917	35,644
Bank Service Charges	21,000	6,520	14,480	2,583
Uniforms/Laundry	1,000	828	172	1,549
Safety Equipment	2,300	1,544	756	565
Gas	6,300	1,793	4,507	5,485
Tires	600	51	549	696
Maintenance & Repair:				
Vehicles	2,900	2,581	319	1,937
Office Supplies	4,000	772	3,228	3,859
Departmental Supplies	4,000	2,677	1,323	1,771
Small Tools and Equipment	1,300	421	879	174
Miscellaneous	2,000	702	1,298	982
Travel	600	600	-	-
Postage	42,000	1,226	40,774	36,960
Printing	4,500	732	3,768	3,545
Dan River Water - Annexation	8,900	2,232	6,668	4,967
Training	400	400	-	496
Contracted Services	39,600	13,831	25,769	361
Equipment Rental	2,400	40	2,360	1,826
Insurance & Bonds	1,400	18	1,382	1,666
Dues and Subscriptions	100	100	-	-
C/O Equipment - Non-Depreciable	19,500	4,007	15,493	14,235
Warehouse Inventory	87,800	24,552	63,248	76,664
Issues from Inventory	(79,000)	(10,350)	(68,650)	(71,860)
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Total	586,300	100,995	485,305	491,419

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Water Filtration:				
Salaries & Wages:				
Regular Salaries	420,900	11,543	409,357	372,656
Overtime	27,200	2,245	24,955	36,713
Total Salaries & Wages	448,100	13,788	434,312	409,369
FICA	34,000	1,901	32,099	31,332
Retirement Expense	39,800	1,091	38,709	32,587
Group Insurance	136,200	-	136,200	136,200
Life/AD&D/Disability Insurance	4,900	502	4,398	3,995
Insurance & Bonds W/C	13,100	1,419	11,681	13,017
Employee Incentives	400	95	305	125
401(k) Contribution	22,300	675	21,625	20,911
Professional Services	38,000	19,864	18,136	17,244
Laundry & Dry Cleaning	3,400	2,415	985	832
Safety Equipment	3,000	2,306	694	1,263
Gas	2,300	1,380	920	876
Tires	500	500	-	200
Maintenance & Repair:				
Building	8,900	1,440	7,460	3,039
Equipment	75,000	1,198	73,802	76,580
Vehicles	1,500	1,424	76	104
Office Supplies	1,400	1,014	386	75
Departmental Supplies	65,000	23,335	41,665	45,126
Chemicals	230,000	7,861	222,139	223,446
Small Tools and Equipment	200	73	127	127
Miscellaneous	100	100	-	66
Travel	2,500	531	1,969	1,603
Utilities:				
Electric	200,000	40,482	159,518	168,272
Advertising	100	100	-	-
Contracted Services	1,000	545	455	458
Employee Training	3,300	83	3,217	1,718
Insurance & Bonds	15,200	2	15,198	17,090
Dues & Subscriptions	4,500	432	4,068	3,355
C/O Equipment - Non-Depreciable	6,500	961	5,539	-
Total	1,361,200	125,517	1,235,683	1,209,010

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Maintenance:				
Salaries & Wages:				
Regular Salaries	654,600	12,503	642,097	629,225
Overtime	42,000	5,722	36,278	31,693
Specialist	1,000	400	600	840
Part-Time	20,000	20,000	-	-
Total Salaries & Wages	717,600	38,625	678,975	661,758
FICA	54,600	3,883	50,717	51,230
Retirement Expense	62,000	1,273	60,727	52,887
Group Insurance	218,000	-	218,000	224,400
Life/AD&D/Disability Insurance	8,600	1,047	7,553	7,763
Insurance & Bonds W/C	16,000	1,291	14,709	15,919
Employee Incentive	1,400	1,179	221	1,047
401(k) Contribution	34,700	774	33,926	33,907
Professional Services	5,000	834	4,166	5,920
Laundry & Dry Cleaning	5,300	3,130	2,170	1,268
Safety Equipment	12,000	2,098	9,902	12,462
Maintenance & Repair:				
Collection	135,000	24,640	110,360	76,602
Equipment	30,000	4,394	25,606	19,664
System	8,200	7,535	665	525
Building	15,000	362	14,638	2,628
Vehicles	51,400	7,616	43,784	47,597
Hydrants	3,000	2,340	660	5,837
Distribution System	60,000	17,533	42,467	45,180
Metering	11,500	7,163	4,337	15,033
Outfalls	21,000	1,060	19,940	13,075
Taps	31,700	7,074	24,626	21,273
Gas	48,000	9,310	38,690	37,483
Tires	12,000	6,889	5,111	12,406
Off-Road Tires	-	-	-	1,409
Office Supplies	2,000	1,146	854	464
Departmental Supplies	5,000	2,182	2,818	1,996
Chemicals	105,000	30,519	74,481	68,697
Small Tools & Equipment	12,300	503	11,797	7,465
Miscellaneous	10,000	3,553	6,447	12,061
Travel	7,000	2,627	4,373	62
Utilities	140,000	6,022	133,978	152,352
Gas	1,000	504	496	638
Printing	3,000	1,519	1,481	1,199
Advertising	1,500	261	1,239	182
Contracted Services	120,000	23,061	96,939	97,211
Employee Training	7,000	25	6,975	5,866
Equipment Rental	500	198	302	2,596
Insurance & Bonds	28,000	3,575	24,425	30,276
Insurance/Deductibles	-	-	-	500
Dues and Subscriptions	1,500	145	1,355	2,116
Water Lines	3,000	3,000	-	665
C/O Equipment - Non-Depreciable	-	-	-	2,684
Mission Telemetry	-	-	-	19,776
Rock/Sand	600	600	-	-
Total	2,009,400	229,490	1,779,910	1,774,079

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Wastewater Treatment:				
Salaries & Wages:				
Regular Salaries	391,200	6,332	384,868	356,126
Overtime	14,400	1,340	13,060	10,367
Specialist	1,000	680	320	200
Total Salaries & Wages	406,600	8,352	398,248	366,693
FICA	30,100	1,472	28,628	26,238
Retirement Expense	37,200	1,608	35,592	28,416
Group Insurance	122,600	-	122,600	122,600
Life/AD&D/Disability Insurance	4,400	69	4,331	3,927
Insurance & Bonds/WC	15,700	1,683	14,017	15,605
Employee Incentives	900	577	323	120
401(k) Contributions	21,700	1,766	19,934	18,224
Professional Services	24,000	232	23,768	23,299
Laundry & Dry Cleaning	1,500	453	1,047	1,599
Safety Equipment	5,400	1,997	3,403	3,521
Gas	4,400	1,677	2,723	1,991
Tires	1,600	1,198	402	494
Maintenance & Repair:				
Building	21,500	2,556	18,944	2,277
Equipment	81,700	3,633	78,067	105,580
Vehicles	3,000	1,843	1,157	1,954
Office Supplies	1,100	524	576	255
Departmental Supplies	19,300	2,559	16,741	17,548
Chemicals	40,000	11,988	28,012	32,859
Civil Penalties	500	500	-	-
Small Tools & Equipment	100	100	-	55
Miscellaneous	100	100	-	-
Travel	3,300	952	2,348	2,451
Utilities	146,000	17,232	128,768	131,411
Printing	-	-	-	105
Contracted Services	235,900	15,013	220,887	213,967
Employee Training	3,100	705	2,395	2,660
Insurance & Bonds	18,000	1,717	16,283	17,793
Dues & Subscriptions	12,600	1,668	10,932	5,955
C/O Equipment - Non-Depreciable	30,800	14,901	15,899	1,549
Total	1,293,100	97,075	1,196,025	1,149,146

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Water Construction:				
Water Improvements	-	-	-	6,216
Water Pressure Improvement Grant Prg	15,000	15,000	-	-
	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>6,216</u>
Sewer Construction:				
Professional Services	15,000	(311)	15,311	1,295
	<u>15,000</u>	<u>(311)</u>	<u>15,311</u>	<u>1,295</u>
Non-Departmental:				
Utility Service Fee - General Fund	2,008,600	48,456	1,960,144	2,175,460
Future Salary Adjustments	25,000	25,000	-	-
Settlement Payment	-	-	-	77,993
Bad Debt Expense	125,000	95,342	29,658	49,246
	<u>2,158,600</u>	<u>168,798</u>	<u>1,989,802</u>	<u>2,302,699</u>
Total Operating Expenses	<u>8,635,800</u>	<u>879,975</u>	<u>7,755,825</u>	<u>8,134,468</u>
Capital Outlay:				
Billing & Collections:				
Vehicles	-	-	-	28,174
Water Filtration:				
Building Improvements	6,300	44	6,256	9,350
Equipment	29,700	6,023	23,677	132,417
Maintenance:				
Vehicles	290,000	26,779	263,221	187,010
Equipment	100,000	100,000	-	441,958
Wastewater Treatment:				
Equipment	9,500	-	9,500	106,688
Water Construction:				
Water Valve Replacement	10,000	10,000	-	-
Primitive/Spring St WL Upgrade	69,000	12,808	56,192	-
George St WL Upgrade	61,000	12,278	48,722	-
West Ave WL Upgrade	27,400	61	27,339	93,375
Bridge St WL Upgrade	40,500	2,888	37,612	-
Ridge Ave WL Upgrade	-	-	-	26,862
Glovenia St WL Upgrade	5,000	5,000	-	-
Remediation SS Related WL Tap Repl	25,000	25,000	-	-
Jackson St/Farrell St WL Upgrade	-	-	-	6,144
NC 14 DPT U-5893 Related WL Repl	15,600	15,600	-	-
Small Booster Pump Station - Jackson	159,500	130,976	28,524	-
Jackson St WL Upgrade	-	-	-	139,440
Morehead St WL Upgrade	-	-	-	98,285
Sewer Construction:				
Sewer Force Main - NC DOT	45,000	2,100	42,900	14,717
New Street Sewer Improvements	920,000	898,501	21,499	32,688
Harris Place Pump Station	15,000	2,923	12,077	-
Sewer Improvements Resurfacing	-	-	-	28,870
Force Main Stabilization	40,000	376	39,624	273,786
W/S Land Purchase	5,000	(35,778)	40,778	1,513,548
	<u>1,873,500</u>	<u>1,215,579</u>	<u>657,921</u>	<u>3,133,312</u>
Total Capital Outlay	<u>1,873,500</u>	<u>1,215,579</u>	<u>657,921</u>	<u>3,133,312</u>

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	2020			2019
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Debt Service:				
Principal Retirement - Billing & Collections	4,900	26	4,874	-
Interest - Billing & Collections	800	29	771	-
Principal Retirement - Maintenance	171,700	390	171,310	69,965
Interest - Maintenance	21,500	248	21,252	4,603
Principal - 2007 Loan	597,400	1	597,399	574,934
Interest - 2007 Loan	66,400	21	66,379	88,844
Principal - 2008 Loan	536,100	79	536,021	517,335
Interest - 2008 Loan	51,000	3	50,997	69,683
Principal - Clean Water Loan	15,600	93	15,507	15,507
Principal - CWSRF Dry Creek	57,800	53	57,747	57,747
Interest - CWSRF Dry Creek	19,800	33	19,767	21,179
Principal - CWSRF Kuder Street	98,500	30	98,470	98,470
Principal - CWSRF Tanyard Branch	161,500	44	161,456	161,456
Principal - CWSRF Matrimony Creek	148,400	26	148,374	148,374
Principal - 2016 Loan	90,000	40	89,960	94,981
Interest - 2016 Loan	30,500	36	30,464	25,442
	<u>2,071,900</u>	<u>1,152</u>	<u>2,070,748</u>	<u>1,948,520</u>
Total Expenditures	<u>12,581,200</u>	<u>2,096,706</u>	<u>10,484,494</u>	<u>13,216,300</u>
Revenues Over (Under) Expenditures	<u>(1,909,600)</u>	<u>2,525,376</u>	<u>615,776</u>	<u>675,304</u>
Other Financing Sources (Uses)				
Fund Balance Reimb - Capital Projects	89,600	(89,600)	-	-
Loan - to EPA/AOC Project Fund	-	-	-	(1,000,000)
Loan Proceeds	320,000	(56,779)	263,221	617,597
	409,600	(146,379)	263,221	(382,403)
Fund Balance Appropriated	<u>1,500,000</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,909,600</u>	<u>(1,646,379)</u>	<u>263,221</u>	<u>(382,403)</u>
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>878,997</u>	<u>878,997</u>	<u>292,901</u>

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit D-4

	Actual	Actual Prior Year
Reconciliation from financial plan basis (modified accrual) to full accrual		
Expenditures Over Revenues and Other Financing Sources	878,997	292,901
Reconciling Items:		
Loan - EPA/AOC Sewer Project	-	1,000,000
Debt Principal	1,881,118	1,738,769
Capital Outlay	657,921	3,133,312
Loan Proceeds	(263,221)	(617,597)
NC Connect Bond Grant - EPA/AOC	1,247,033	969,286
EDA Grant - Mega Park WL	1,827,058	-
Drinking Water Reserve Grant	550,798	
Depreciation	(2,448,515)	(2,306,835)
Pension Expense	(156,289)	(26,637)
Other Post Employment Benefits	(152,716)	(47,829)
Total Reconciling Items	3,143,187	3,842,469
Change in Net Assets	4,022,184	4,135,370

City of Eden, North Carolina
Mega Park Waterline Project Fund
Comparative Balance Sheets
As of June 30, 2020 and 2019

Exhibit D-5

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Assets:		
Cash and Cash Equivalents	436,914	224,751
Other Receivables	<u>71,772</u>	<u>-</u>
 Total Assets	 <u>508,686</u>	 <u>224,751</u>
 Liabilities and Fund Equities:		
Current Liabilities		
Accounts Payable	245,489	83,042
Other Liabilities	<u>403,373</u>	<u>-</u>
 Total Liabilities	 <u>648,862</u>	 <u>83,042</u>
 Fund Equities	 <u>(140,176)</u>	 <u>141,709</u>
 Total Liabilities and Fund Equities	 <u>508,686</u>	 <u>224,751</u>

City of Eden, North Carolina
 Capital Projects Fund - Mega Park Water Line
 Schedule of Revenues and Expenditures
 Budget and Actual (NON GAAP)
 From Inception and For Fiscal Year Ended June 30, 2020

Exhibit D-6

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2019</u>	<u>Year Ended June 30, 2020</u>	<u>Total Inception to June 30, 2020</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Drinking Water Reserve Grant	1,018,225	-	550,798	550,798	(467,427)
EDA Grant	2,000,000	-	1,827,058	1,827,058	(172,942)
General Assembly Appropriation	1,000,000	-	-	-	(1,000,000)
Loan Proceeds - 0% Interest	3,000,000	-	1,652,392	1,652,392	(1,347,608)
Loan Proceeds	54,675	-	-	-	(54,675)
Total Revenues	<u>7,072,900</u>	<u>-</u>	<u>4,030,248</u>	<u>4,030,248</u>	<u>(3,042,652)</u>
Expenditures:					
Mega Park Water Line - Inside City	66,000	65,307	-	65,307	693
Mega Park Water Line - Outside City	<u>7,072,900</u>	<u>292,984</u>	<u>4,312,133</u>	<u>4,605,117</u>	<u>2,467,783</u>
Total Expenditures	<u>7,138,900</u>	<u>358,291</u>	<u>4,312,133</u>	<u>4,670,424</u>	<u>2,468,476</u>
Revenues Over (Under) Expenditures	(66,000)	(358,291)	(281,885)	(640,176)	(574,176)
Other Financing Sources:					
Contribution for W/S Fund	<u>66,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>434,000</u>
Net Change in fund balance	<u>-</u>	<u>141,709</u>	(281,885)	<u>(140,176)</u>	<u>(140,176)</u>
Fund Balance					
Beginning of Year, July 1			<u>141,709</u>		
End of Year, June 30			<u>(140,176)</u>		

City of Eden, North Carolina
 EPA/AOC Sewer Project Fund
 Comparative Balance Sheets
 As of June 30, 2020 and 2019

Exhibit D-7

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assets:		
Cash and Cash Equivalents	(268,691)	(54,187)
Other Receivables	<u>1,053,732</u>	<u>1,955,960</u>
 Total Assets	 <u>785,041</u>	 <u>1,901,773</u>
Liabilities and Fund Equities:		
Current Liabilities		
Accounts Payable	664,243	226,530
Fund Equities	<u>120,798</u>	<u>1,675,243</u>
 Total Liabilities and Fund Equities	 <u>785,041</u>	 <u>1,901,773</u>

City of Eden, North Carolina
 Capital Projects Fund - EPA AOC Sewer Project
 Schedule of Revenues and Expenditures
 Budget and Actual (NON GAAP)
 From Inception and For Fiscal Year Ended June 30, 2020

Exhibit D-8

	Project Authorization	Total Inception to June 30, 2019	Year Ended June 30, 2020	Total Inception to June 30, 2020	Variance Favorable (Unfavorable)
Revenues:					
NC Connect Bond Grant	16,666,000	969,286	1,247,033	2,216,319	(14,449,681)
NC Connect Bond Loan	<u>15,000,000</u>	<u>969,286</u>	<u>1,247,032</u>	<u>2,216,318</u>	<u>(12,783,682)</u>
Total Revenues	<u>31,666,000</u>	<u>1,938,572</u>	<u>2,494,065</u>	<u>4,432,637</u>	<u>(27,233,363)</u>
Expenditures:					
Temp Rainfall/Flow Monitoring	15,000	-	-	-	15,000
Professional Services	1,500,000	2,738,782	442,367	3,181,149	(1,681,149)
Post Constructin Rainfall/Flow Monitoring	35,000	-	-	-	35,000
Junction/Bridge St Pump Station Rehab	3,708,600	410,556	27,877	438,433	3,270,167
I/I Reductions	2,246,900	-	105,883	105,883	2,141,017
Bridge St Basin Rehab	9,355,600	45,640	-	45,640	9,309,960
Junction Basin Rehab	4,425,700	-	-	-	4,425,700
Kuder St Basin Rehab	4,027,200	-	560,359	560,359	3,466,841
Dry Creek Basin Rehab	2,507,000	-	143,031	143,031	2,363,969
Dogwood/Fourth St Pump Station Rehab	300,000	-	-	-	300,000
Bear Slide/Indian Hills Pump Station	150,000	-	-	-	150,000
Mebane Bridge WWTP Improvements	3,625,600	1,127,951	2,768,993	3,896,944	(271,344)
Contingency	1,829,000	-	-	-	1,829,000
W/S Loan Repayment	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Total Expenditures	<u>35,725,600</u>	<u>4,322,929</u>	<u>4,048,510</u>	<u>8,371,439</u>	<u>27,354,161</u>
Revenues Over (Under) Expenditures	<u>(4,059,600)</u>	<u>(2,384,357)</u>	<u>(1,554,445)</u>	<u>(3,938,802)</u>	<u>120,798</u>
Other Financing Sources:					
Contribution for W/S Fund	2,059,600	2,059,600	-	2,059,600	-
Loan from W/S Fund	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
	<u>4,059,600</u>	<u>4,059,600</u>	<u>-</u>	<u>4,059,600</u>	<u>-</u>
Net Change in fund balance	<u>-</u>	<u>1,675,243</u>	<u>(1,554,445)</u>	<u>120,798</u>	<u>120,798</u>
Fund Balance					
Beginning of Year, July 1			<u>1,675,243</u>		
End of Year, June 30			<u>120,798</u>		

City of Eden, North Carolina
 Self Insured Insurance
 Comparative Balance Sheets
 As of June 30, 2020 and 2019

Exhibit E-1

	June 30, 2020	June 30, 2019
Assets:		
Cash and Cash Equivalents	687,194	514,607
Due from Other Agencies	30,509	-
Total Assets	717,703	514,607
Liabilities and Fund Equities:		
Current Liabilities		
Claims Payable	224,177	236,874
Fund Equities	493,526	277,733
Total Liabilities and Fund Equities	717,703	514,607

City of Eden, North Carolina
Self Insured Insurance
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -- Budget and Actual
For Fiscal Year Ended June 30, 2020 and 2019

Exhibit E-2

	Budget	Variance Favorable (Unfavorable)	June 30, 2020	June 30, 2019
Revenues:				
Charges for Services:				
General Fund	2,311,600	231,310	2,542,910	2,557,725
Water & Sewer Fund	761,900	41,453	803,353	808,915
Refunds	144,600	61,048	205,648	129,709
Total Revenues	3,218,100	333,811	3,551,911	3,496,349
Expenditures:				
Group Insurance Fixed Costs	607,500	70	607,430	547,740
Insurance Claims	2,770,000	40,354	2,729,646	2,870,686
Total Expenditures	3,377,500	40,424	3,337,076	3,418,426
Operating Income (Loss)	(159,400)	374,235	214,835	77,923
Non-Operating Revenue:				
Investment Earnings	900	58	958	996
Other Financing Sources (Uses):				
Transfer from(to) General Fund	-	-	-	-
Transfer from(to) Water & Sewer Fund	-	-	-	-
Total Other Financing Sources(Uses)	-	-	-	-
Fund Balance Appropriated	158,500	(158,500)	-	-
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	215,793	215,793	78,919
Fund Balance				
Beginning of Year, July 1			277,733	198,814
End of Year, June 30			493,526	277,733

City of Eden, North Carolina
Self Insured Insurance
Comparative Schedule of Cash Flows
For Fiscal Year Ended June 30, 2020
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

Exhibit E-3

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Cash Flows from Operating Activities:		
Cash Received from Users	3,521,402	3,496,349
Cash Paid for Insurance Claims	(2,742,343)	(2,750,292)
Cash Paid for Fixed Costs	<u>(607,430)</u>	<u>(547,740)</u>
Net Cash Provided by Operating Activities	<u>171,629</u>	<u>198,317</u>
 Cash Flows from Investing Activities	 <u>958</u>	 <u>996</u>
Cash Flows from Financing Activities:		
Transfer from General Fund	-	-
Transfer from Water & Sewer Fund	<u>-</u>	<u>-</u>
Total Cash Flows from Financing Activities	<u>-</u>	<u>-</u>
Net (Decrease) Increase in Cash and Cash Equivalents	172,587	199,313
Cash and Cash equivalents, Beginning of Year	<u>514,607</u>	<u>315,294</u>
Cash and Cash equivalents, End of Year	<u>687,194</u>	<u>514,607</u>
Reconciliation of Operating Incomes to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	<u>214,835</u>	<u>77,923</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase) Decrease in Due from Other Agencies	(30,509)	-
Increase (Decrease) in Accounts Payable	<u>(12,697)</u>	<u>120,394</u>
Total Adjustments	<u>(43,206)</u>	<u>120,394</u>
Net Cash Provided by Operating Activities	<u>171,629</u>	<u>198,317</u>

City of Eden, North Carolina
 Agency Funds - Runabout Travel Club
 Schedule of Changes in Assets and Liabilities
 For Fiscal Year Ended June 30, 2020

Exhibit F-1

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Assets:				
Cash and Cash Equivalents	16,629	12,424	14,194	14,859
Liabilities	16,629	12,424	14,194	14,859

City of Eden, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 June 30, 2020

Exhibit G-1

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020		6,371,797	6,276,584	95,212
2018-2019	89,906	148,201	197,587	40,520
2017-2018	82,896		45,062	37,834
2016-2017	34,081		8,669	25,412
2015-2016	25,266		5,074	20,192
2014-2015	19,079		4,194	14,885
2013-2014	17,559		2,345	15,214
2012-2013	14,699		1,478	13,221
2011-2012	12,323		725	11,598
2010-2011	11,851		681	11,170
2009-2010	11,946		11,578	368
2008-2009	390		390	-
2007-2008	681	-	681	-
	<u>320,677</u>	<u>6,519,998</u>	<u>6,555,048</u>	285,626
Less Allowance for Uncollectible Taxes				<u>221,732</u>
Ad Valorem Taxes Receivable - Net				<u>63,894</u>
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				6,416,434
Reconciling Items:				
Rockingham County Collection Fee - Vehicle Tax				28,190
Short-Term Vehicle Tax				(9,520)
Interest Collected				(52,187)
Releases and Other Adjustments				(20,253)
Municipal Vehicle Tax				181,840
Municipal Service District Tax				<u>10,544</u>
				<u>6,555,048</u>

City of Eden, North Carolina
 Analysis of Current Tax Levy
 City-Wide Levy
 For Fiscal Year Ended June 30, 2020

Exhibit G-2

	<u>City-Wide</u>		<u>Total Levy</u>		
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property Taxed at Current Year's Rate	916,138,095	\$ 0.609	5,579,281	5,579,281	
Motor Vehicles Taxes Collected by DMV			780,038		780,038
	<u>916,138,095</u>		<u>6,359,319</u>	<u>5,579,281</u>	<u>780,038</u>
Discoveries:					
Current Year Taxes	193,986		1,425	1,425	
Prior Year Taxes			1,867	1,867	
Penalties			5,497	5,497	
	<u>193,986</u>		<u>8,789</u>	<u>8,789</u>	<u>-</u>
Municipal Service District Tax			10,925	10,925	
Other Adjustments	(1,173,499)		(7,237)	(7,237)	
			<u>-</u>	<u>-</u>	<u>-</u>
	<u>(1,173,499)</u>		<u>(7,237)</u>	<u>(7,237)</u>	<u>-</u>
Total Property Valuation	<u>915,158,582</u>				
Net Levy			6,371,796	5,591,758	780,038
Uncollected Taxes at June 30, 2020			95,212	95,212	-
Current Year's Taxes Collected			<u>6,276,584</u>	<u>5,496,546</u>	<u>780,038</u>
Current Levy Collections Percentage			<u>98.51%</u>	<u>98.30%</u>	<u>100.00%</u>

City of Eden, North Carolina
 Schedule of Transfers
 For the Fiscal Year Ended June 30, 2020

Exhibit G-3

	Transfers	
	From	To
Operating Transfers From/To Component Units		
City of Eden General Fund		133,989
Eden ABC Board	133,989	
Total operating transfers - component units	133,989	133,989

Compliance Section

Rouse, Rouse, Rouse & Gardner, L.L.P.

Certified Public Accountants



R. Rex Rouse, Jr., CPA

Judy G. Rouse, CPA

Victor B. Rouse, CPA/PFS

Trevor C. Gardner, CPA

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Mayor and
Members of the City Council
Eden, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eden, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Eden, North Carolina's basic financial statements, and have issued our report thereon dated November 6, 2020. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *General Auditing Standards* issued by the Comptroller General of the United States. The financial statements of the Eden ABC Board were not audited in accordance with the *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Eden ABC Board.

Internal Control over Financial Reporting

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

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

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

We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. 2020-01

Compliance and Other Matters

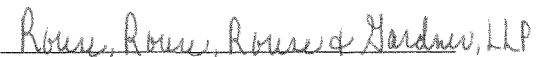
As part of obtaining reasonable assurance about whether the City of Eden, North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

City of Eden's Response to Finding

The City of Eden's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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


Rouse, Rouse, Rouse & Gardner, LLP
November 6, 2020

Rouse, Rouse, Rouse & Gardner, L.L.P.

Certified Public Accountants



R. Rex Rouse, Jr., CPA
Judy G. Rouse, CPA
Victor B. Rouse, CPA/PFS
Trevor C. Gardner, CPA

Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Eden, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Eden, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Eden's major federal programs for the year ended June 30, 2020. The City of Eden's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Eden's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act.² Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Eden's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Eden's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Eden complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

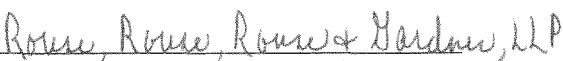
Management of the City of Eden is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Eden's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-01 that we consider to be a significant deficiency.

The City of Eden's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. The City of Eden's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Rouse, Rouse, Rouse & Gardner, LLP
November 6, 2020

Rouse, Rouse, Rouse & Gardner, L.L.P.

Certified Public Accountants



R. Rex Rouse, Jr., CPA
Judy G. Rouse, CPA
Victor B. Rouse, CPA/PFS
Trevor C. Gardner, CPA

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Eden, North Carolina

Report on Compliance for Each Major State Program

We have audited the City of Eden, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City of Eden's major state programs for the year ended June 30, 2020. The City of Eden's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Eden's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Eden's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Eden's compliance.

Opinion on Each Major State Program

In our opinion, the City of Eden complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.


Report on Internal Control Over Compliance

Management of the City of Eden is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Eden's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Rouse, Rouse, Rouse & Gardner, LLP
November 6, 2020

City of Eden, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass Through Expenditures)	State Expenditures	Local Expenditures
Federal Grants:					
Cash Programs:					
<u>US Department of Commerce</u>					
Economic Development Administration					
Public Works Program - Berry Hill Regional Mega Park	11.300	04-01-07214	1,827,058		
Total US Department of Commerce			1,827,058	-	-
<u>US Department of Justice</u>					
Bulletproof Vest Partnership	16.607		3,027		
Community Oriented Policing Services	16.710		79,259		30,526
Passthrough NC Governors Crime Commission/ 2017 Byrne Justice Assistant Grant	16.738	2017-DJ-BX-0129	24,143		
Passthrough NC Governors Crime Commission/ 2017 Byrne Justice Assistant Grant	16.738	2018-DJ-BX-0041	23,400		
Sub-total NC Governors Crime Commission			47,543	-	-
Total US Department of Justice			129,829	-	30,526
<u>US Department of Transportation</u>					
Passthrough NC Department of Transportation/Nonurban Area Public Transportation Grant for Elderly Individuals With Disabilities	20.513	16-ED-929	57,760	7,220	7,220
Passthrough NC Department of Transportation Transportation Alternative Program	20.205	TAP-1747(002)	32,844		
Total US Department of Transportation			90,604	7,220	7,220
Total assistance -Federal programs			2,047,491	7,220	37,746
State Grants:					
<u>NC Department of Environmental Quality</u>					
Connect NC Bond Grant - Collection System Project		E-SRP-W-17-0026		1,247,033	
Connect NC Bond Loan - Collection System Project				1,247,032	
Total NC Department of Environmental Quality				2,494,065	-
<u>NC Water Infrastructure Environment Quality</u>					
Berry Hill Regional Mega Park - Grant		E-SRP-D-17-0015		550,798	
Berry Hill Regional Mega Park - Loan				1,652,392	
Total NC Department of Transportation				2,203,190	-
<u>N.C. Department of Transportation</u>					
Powell Bill		38570		433,109	
Total assistance - State programs				5,130,364	-
Total assistance			2,047,491	5,137,584	37,746

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of Eden under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a select portion of the operations of the City of Eden, it is not intended to and does not present the financial position, changes in net positions or cash flows of the City of Eden.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3: Loans Outstanding

City of Eden had the following loan balances outstanding at June 30, 2020 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans made during the year are included in the SEFSA. The balance of the loans outstanding at June 30, 2020 consist of:

Program Title:

Connect NC Bond Loan - Collection System Project	\$ 2,216,320
NC Water Infrastructure Water Quality - Regional Mega Park Water Expansion	\$ 1,652,392

CITY OF EDEN, NORTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Fiscal Year Ended June 30, 2020

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance to GAAP: unmodified.

Internal control over financial reporting:

- Material weakness identified? ___ yes X no
- Significant deficiencies ___ yes X none reported
- Noncompliance material to financial statement noted ___ yes X no

Federal Awards

- Material weakness identified? ___ yes X no
- Significant deficiencies X yes ___ none reported

Type of auditor's report issued on compliance for major federal programs:
 Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes ___ no

Identification of major federal programs:

CFDA No(s).	Names of Federal Program or Cluster
11.300	Department of Commerce's Economic Development Administration EDA – Berry Hill Regional Mega Park

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? ___ yes X no

State Awards

Internal control over major State programs:

- Material weakness identified? ___ yes X no
- Significant deficiencies ___ yes X none reported

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act ___ yes X no

Identification of major State programs:

Program Names

Connect NC Bond Grant – Collection System Project

Connect NC Bond Loan – Collection System Project

Berry Hill Regional Mega Park – Grant

Berry Hill Regional Mega Park – Loan

CITY OF EDEN, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2020

Section II. Financial Statement Findings

None

Section III. Federal Award Findings and Questioned Costs

Finding: 2020-01

CFDA 11.300 Department of Commerce's Economic Development Administration

EDA – Berry Hill Regional Mega Park

Significant Deficiency :

Criteria: The City is required to have written internal control policies and procedures governing its federal awards.

Condition: The City does not have written internal control policies and procedures governing its federal awards.

Effects: Due to the decentralized nature of the City's grant administration, no written policies and procedures creates an increased opportunity for non-compliance with grant compliance requirements.

Cause: The City does not have a written internal control policy.

Recommendation: The City should create and adopt a written internal control policy governing its federal awards.

Views of responsible officials and planned corrective actions: See attachment.

Section IV. State Award Findings and Questioned Costs

None.

CITY OF EDEN, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2020

Finding: 2019-01

Status: The finding is no longer valid due to the City implementing additional policies and procedures regarding internal control related to management.



City of Eden

P.O. Box 70
Eden, NC 27289-0070
(336) 623-2110
Fax (336) 623-4041



Official Response Related to a Significant Deficiency in the Internal Controls Related to Federal Grants:

The City Council has been and will continue to review and enact policies to address the significant deficiency in the internal controls related to the administration of federal grants. These procedures will be in written form and will be enacted in the near future.

Tammie McMichael
Tammie McMichael, Director of Finance

11-5-20
Date

Jon Mendenhall
Jon Mendenhall, City Manager

11/5/2020
Date