



City of Eden

Financial Statements

June 30, 2021

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

COUNCIL MEMBERS

Neville Hall, Mayor
Darryl Carter, Mayor Pro Tem

Bernie Moore
Jerry Epps
Bruce Nooe

Angela Hampton
Gerald Ellis
Philip Hunnicutt

OFFICIALS

Jon Mendenhall
Deanna F. Hunt
Erin B. Gilley
Tammie B. McMichael

City Manager
City Clerk
City Attorney
Director of Finance
and Personnel

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

Certified Public Accountants



R. Rex Rouse, Jr., CPA
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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, 2021, 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, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 92 and 93, respectively, the Firefighters' and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability on page 94, 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 95 and 96 and the Other Post Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 97 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.

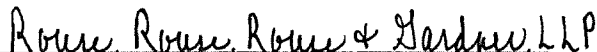
Supplementary and Other Information

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 19, 2021 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 19, 2021

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, 2021. 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

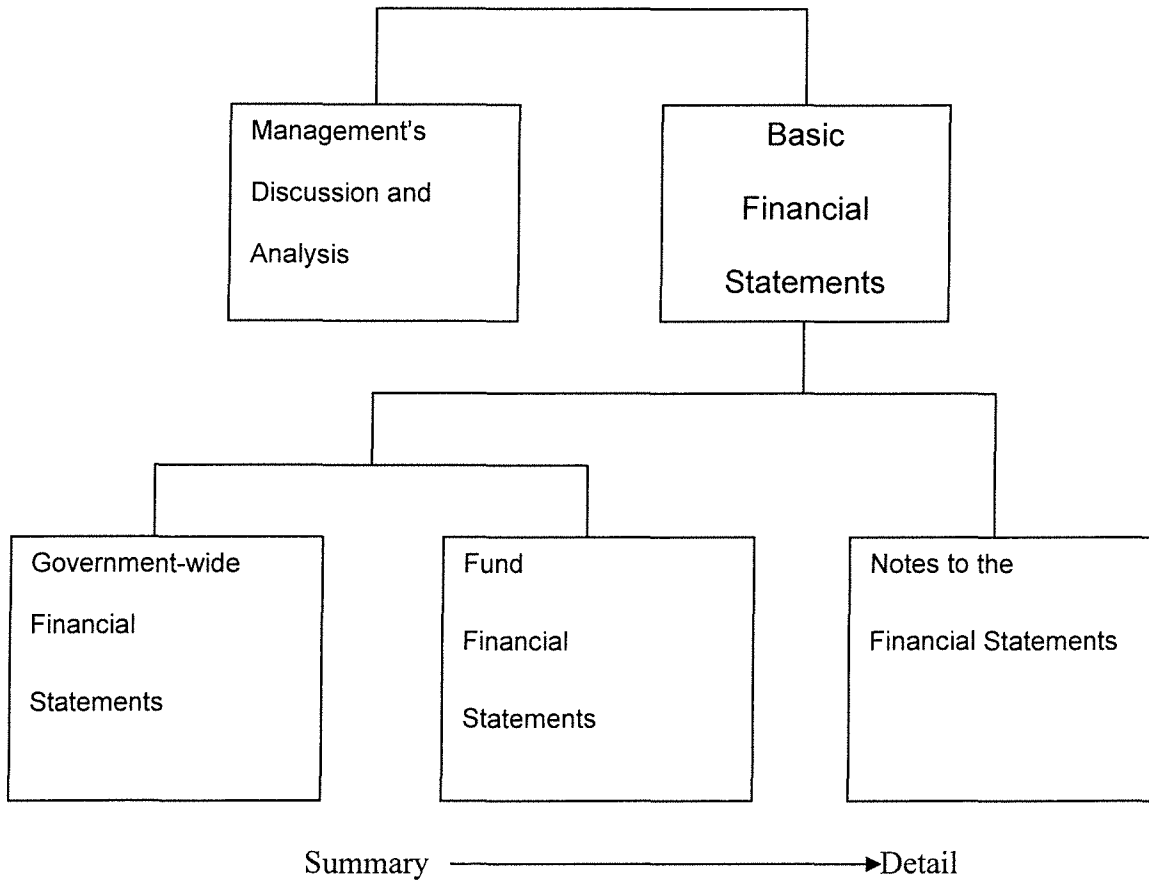
- The assets and deferred outflows of resources of the City of Eden exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$84,607,622 (Net Position).
- The government's total net position increased by \$6,754,734 primarily due to the increase in business-type activities net position.
- On June 30, 2021, the governmental funds reported combined ending fund balances of \$12,446,516, an increase of \$1,669,264 in comparison with the prior year. Approximately 74.26% of this total amount, or \$9,243,232, is available for spending (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,243,232, or 54.45% of the total general fund expenditures for the fiscal year.
- The City of Eden's total liabilities increased by \$6,212,259 from \$37,284,082 to \$43,496,341 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 three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. 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 28 - 90 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	14,169,204	12,036,166	9,682,911	9,113,582	23,852,115	21,149,748
Capital assets	26,862,211	25,480,211	72,081,715	65,919,477	98,943,926	91,399,688
Deferred outflows of resources	<u>4,842,863</u>	<u>2,675,200</u>	<u>1,036,722</u>	<u>643,546</u>	<u>5,879,585</u>	<u>3,318,746</u>
Total assets and deferred outflows of resources	<u>45,874,278</u>	<u>40,191,577</u>	<u>82,801,348</u>	<u>75,676,605</u>	<u>128,675,626</u>	<u>115,868,182</u>
Long-term liabilities	18,849,763	15,436,779	17,725,697	15,592,050	36,575,460	31,028,829
Other liabilities	2,486,131	2,219,203	4,449,609	4,036,050	6,935,740	6,255,253
Deferred inflows of resources	<u>473,439</u>	<u>609,749</u>	<u>83,365</u>	<u>121,463</u>	<u>556,804</u>	<u>731,212</u>
Total liabilities and deferred inflows of resources	<u>21,809,333</u>	<u>18,265,731</u>	<u>22,258,671</u>	<u>19,749,563</u>	<u>44,068,004</u>	<u>38,015,294</u>
Net Position:						
Invested in capital assets, net of related debt	20,824,508	20,472,046	55,151,435	50,695,327	75,975,943	71,167,373
Restricted	2,290,744	2,186,038			2,290,744	2,186,038
Unrestricted	<u>949,693</u>	<u>(732,238)</u>	<u>5,391,242</u>	<u>5,231,715</u>	<u>6,340,935</u>	<u>4,499,477</u>
Total Net Assets	<u>24,064,945</u>	<u>21,925,846</u>	<u>60,542,677</u>	<u>55,927,042</u>	<u>84,607,622</u>	<u>77,852,888</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 \$84,607,622 as of June 30, 2021. The City's net position increased by \$6,754,734 for the fiscal year ended June 30, 2021. 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 2.71% represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,340,935 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 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Total 2021	Total 2020
Revenues:						
Program revenues:						
Charges for services	2,574,103	2,618,232	9,952,215	10,815,586	12,526,318	13,433,818
Operating grants and Contributions	632,787	455,267			632,787	455,267
Capital grants and Contributions	1,030,446	478,569	4,580,633	3,744,823	5,611,079	4,223,392
General revenues:						
Property taxes	6,437,953	6,413,487			6,437,953	6,413,487
Other taxes	4,752,756	4,295,066			4,752,756	4,295,066
Grants and contributions not restricted						
to specific programs	1,323,053	1,131,053			1,323,053	1,131,053
Other	47,413	117,562	29,476	76,541	76,889	194,103
Total revenues	16,798,511	15,509,236	14,562,324	14,636,950	31,360,835	30,146,186
Expenses:						
General government	2,122,034	1,822,108			2,122,034	1,822,108
Public safety	6,442,781	7,012,717			6,442,781	7,012,717
Transportation	1,794,247	1,860,616			1,794,247	1,860,616
Sanitation	1,913,177	2,019,781			1,913,177	2,019,781
Economic and physical development	18,291	35,794			18,291	35,794
Cultural and recreation	879,888	950,407			879,888	950,407
Public works	833,115	1,122,794			833,115	1,122,794
Special appropriations	536,168	592,841			536,168	592,841
Interest on long-term debt	119,711	129,845			119,711	129,845
Water and sewer			9,946,689	10,614,766	9,946,689	10,614,766
Total expenses	14,659,412	15,546,903	9,946,689	10,614,766	24,606,101	26,161,669
Increases (decreases) in net position	2,139,099	(37,667)	4,615,635	4,022,184	6,754,734	3,984,517
Net position-Beginning of Year	21,925,846	21,963,513	55,927,042	51,904,858	77,852,888	73,868,371
Net position-End of Year	24,064,945	21,925,846	60,542,677	55,927,042	84,607,622	77,852,888

Governmental activities. Governmental activities increased the City's net position by \$2,139,099. Key element of this increase is as follows:

- A increase in capital grants and contributions, operating grants and contributions, local sales tax, and grants and contributions not restricted to specific programs.

Business-type activities: Business-type activities increased the City of Eden's net position by \$4,615,635. 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 \$9,243,232 while total fund balance reached \$12,402,153. 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 54.45% of total General Fund expenditures, while total fund balance represents 73.06% of that same amount.

At June 30, 2021, the governmental funds of City of Eden reported a combined fund balance of \$12,446,516 a 15.49% 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 \$1,750,196 and a decrease in other governmental funds of (\$80,934).

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, other taxes and licenses, local sales tax, other unrestricted intergovernmental revenues, 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 \$5,391,242. The total increase in net position for the fund was \$4,615,635. 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, 2021 totals \$98,943,926. 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	1,325,229	1,325,229	1,826,960	1,826,960	3,152,189	3,152,189
Buildings and systems	4,045,506	4,165,434	50,444,802	47,706,637	54,490,308	51,872,071
Improvements other than buildings	5,057,916	5,173,867			5,057,916	5,173,867
Machinery and equipment	1,038,784	854,195	2,093,099	2,749,518	3,131,883	3,603,713
Infrastructure	12,472,750	12,121,694			12,472,750	12,121,694
Vehicles and motorized equipment	2,760,723	1,705,713	367,762	457,732	3,128,485	2,163,445
Construction in progress	<u>161,303</u>	<u>134,080</u>	<u>17,349,092</u>	<u>13,178,629</u>	<u>17,510,395</u>	<u>13,312,709</u>
Total	<u>26,862,211</u>	<u>25,480,212</u>	<u>72,081,715</u>	<u>65,919,476</u>	<u>98,943,926</u>	<u>91,399,688</u>

Additional information on the City's capital assets can be found on pages 40 and 41 in the notes to the financial statements.

Long-term Debt. As of June 30, 2021, 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 \$6,212,259 from \$37,284,082 to \$43,496,341 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 \$73,628,094.

Budget Highlights for the Fiscal Year Ending June 30, 2021

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, 2021

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	11,372,165	3,837,856	15,210,021	375,951
Cash and cash equivalents - restricted deposits	240,038	365,420	605,458	
Taxes receivable, net of allowance for uncollectible	95,003		95,003	
Unbilled water and sewer receivables		1,100,225	1,100,225	
Customer receivables, net of allowance for uncollectibles	680,170	465,437	1,145,607	
Due from other governmental agencies	1,457,752		1,457,752	
Accrued interest receivable	3,238		3,238	
Due from component unit	16,256		16,256	
Other receivables		3,620,288	3,620,288	
Internal balance	11,407	(11,407)	-	
Inventories	238,267	300,528	538,795	180,406
Prepaid items	54,908	4,564	59,472	6,156
Total Current Assets	14,169,204	9,682,911	23,852,115	562,513
Capital Assets:				
Land and construction in progress	1,486,532	19,176,052	20,662,584	95,335
Other capital assets, net of depreciation	25,375,679	52,905,663	78,281,342	36,338
Total Capital Assets	26,862,211	72,081,715	98,943,926	131,673
Total Assets	41,031,415	81,764,626	122,796,041	694,186
Deferred Outflows of Resources				
Contributions to Pension Plan in Current Fiscal Year	1,748,988	533,424	2,282,412	44,388
Contributions to Pension Plan in Current Fiscal Year - Police Separation OPEB Deferrals	948,239		948,239	
	2,145,636	503,298	2,648,934	
Total Deferred Outflows of Resources	4,842,863	1,036,722	5,879,585	44,388
Liabilities				
Accounts payable and retainage payable	774,672	1,694,968	2,469,640	119,948
Due to Grantor's agency		230,397	230,397	
Customer and Client deposits	14,859	365,420	380,279	
Due to Primary Government			-	16,256
Due to other Funds	-	-	-	
Current Portion of Long Term Liabilities	1,035,268	2,005,274	3,040,542	
Total Current Liabilities	1,824,799	4,296,059	6,120,858	136,204
Long-term liabilities:				
Compensated absences payable	661,332	153,550	814,882	
Total OPEB Liability	7,814,155	1,832,950	9,647,105	
Net Pension Liability - Police Separation Allowance	2,968,659		2,968,659	49,672
Net Pension Liability - LGERS	3,064,514	967,741	4,032,255	
Due in more than one year	5,002,435	14,925,006	19,927,441	
Total Long Term Liabilities	19,511,095	17,879,247	37,390,342	49,672
Total Liabilities	21,335,894	22,175,306	43,511,200	185,876
Deferred Inflows of Resources:				
Prepaid items	26,065		26,065	
OPEB Deferrals	355,353	83,355	438,708	
Pension Deferrals - Separation Allowance	91,985		91,985	
Pension Deferrals	36	10	46	
Total Deferred Inflows of Resources	473,439	83,365	556,804	-
Net Position				
Net Investment in capital assets	20,824,508	55,151,435	75,975,943	131,673
Restricted for:				
Stabilization by State Statute	2,122,296		2,122,296	
Other purposes	15,085		15,085	421,024
Transportation	29,647		29,647	
Public safety	42,340		42,340	
Economic Development	81,376		81,376	
Unrestricted	949,693	5,391,242	6,340,935	
Total Net Position	24,064,945	60,542,677	84,607,622	552,697

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, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
General Government	2,122,034	343,416			(1,778,618)		(1,778,618)	
Public Safety	6,442,781	209,883	610,650		(5,622,248)		(5,622,248)	
Transportation	1,794,247	8,234	7,137	493,236	(1,285,640)		(1,285,640)	
Economic and Physical Development	18,291	1,251	15,000	522,210	520,170		520,170	
Environmental Protection	1,913,177	1,870,285			(42,892)		(42,892)	
Cultural and Recreation	879,888	133,907		15,000	(730,981)		(730,981)	
Public Works	833,115	7,127			(825,988)		(825,988)	
Special Appropriations	536,168				(536,168)		(536,168)	
Interest on Long-Term Debt	119,711				(119,711)		(119,711)	
Total Governmental Activities	14,659,412	2,574,103	632,787	1,030,446	(10,422,076)		(10,422,076)	
Business-Type Activities:								
Water and Sewer	9,946,689	9,952,215		4,580,633		4,586,159	4,586,159	
	<u>24,606,101</u>	<u>12,526,318</u>	<u>632,787</u>	<u>5,611,079</u>	<u>(10,422,076)</u>	<u>4,586,159</u>	<u>(5,835,917)</u>	
Component Unit:								
ABC Board	<u>1,984,060</u>	<u>2,019,744</u>						<u>35,684</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purpose					6,437,953		6,437,953	
Local Sales Tax					3,232,742		3,232,742	
Franchise Tax					873,498		873,498	
Other Taxes					645,781		645,781	
Privilege License Tax					735		735	
Grants and Contributions Not Restricted to Specific Programs					1,323,053		1,323,053	
Unrestricted Investment Earnings					47,413	29,476	76,889	1,341
Total General Revenues and Transfers					<u>12,561,175</u>	<u>29,476</u>	<u>12,590,651</u>	<u>1,341</u>
Change in Net Position					2,139,099	4,615,635	6,754,734	37,025
Net Position - Beginning of Year					<u>21,925,846</u>	<u>55,927,042</u>	<u>77,852,888</u>	<u>515,672</u>
Net Position - End of Year					<u>24,064,945</u>	<u>60,542,677</u>	<u>84,607,622</u>	<u>552,697</u>

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

City of Eden
Balance Sheet
Governmental Funds
June 30, 2021

Exhibit 3

<u>Assets</u>	Major Fund General	Total Non-Major Funds	Total Governmental Funds
Cash and Cash Equivalents	10,340,759	48,549	10,389,308
Cash and cash equivalents - restricted deposits	240,038		240,038
Taxes receivable, net of allowance for uncollectibles of \$167,235	95,003		95,003
Accounts receivable, net of allowance for uncollectibles of \$419,231	677,628	2,542	680,170
Due from other governmental agencies	1,411,715		1,411,715
Due from other funds	16,700		16,700
Due from Component Unit	16,256		16,256
Inventories	238,267		238,267
Deferred Outflows		52	52
Prepaid Expenses	54,908		54,908
Total Assets	13,091,274	51,143	13,142,417
 Liabilities:			
Accounts payable and accrued liabilities	553,142	6,780	559,922
Client Deposits	14,859		14,859
Total Liabilities	568,001	6,780	574,781
 Deferred Inflows of Resources:			
Property taxes receivable	95,003		95,003
Prepaid items	26,117		26,117
	121,120	-	121,120
 Fund Balances:			
Non Spendable			
Inventories	238,267		238,267
Prepaid Expenses	54,908		54,908
Restricted			
Stabilization by State Statute	2,122,298		2,122,298
Streets	29,647		29,647
Public Safety	42,340		42,340
Historic Preservation	81,376		81,376
Economic Development	7,825	44,363	52,188
Cultural & Recreational	7,260		7,260
Assigned			
Subsequent year's expenditures	575,000		575,000
Unassigned reported in:			
General fund	9,243,232		9,243,232
Total Fund Balance	12,402,153	44,363	12,446,516
Total Liabilities, Deferred Inflows of Resources and Fund Balances	13,091,274	51,143	13,142,417

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

City of Eden
Balance Sheet
Governmental Funds
June 30, 2021

Exhibit 3

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

Total Fund Balance, Governmental Funds	12,446,516
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 - \$1,486,532 ; capital assets being depreciated, net - \$25,375,679)	26,862,211
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.	(2,968,659)
Net pension liability	(3,064,514)
Net OPEB liability	(7,814,155)
Contributions to pension plan in current fiscal year and not included in the statement of activities	2,697,227
Contributions to OPEB in current fiscal year and not included in the statement of activities	2,145,636
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.	808,851
Taxes receivable (\$95,003) and accrued interest receivable (\$3,238) 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	98,241
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Notes payable (\$6,037,703); earned vacation pay - (\$661,332)	(6,699,035)
Pension deferrals - Local Government Retirement	(36)
Pension deferrals - Police Separation Allowance	(91,985)
OPEB deferrals	<u>(355,353)</u>
Net Position of governmental activities	<u><u>24,064,945</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, 2021

Exhibit 4

Revenues	Major Fund General	Total Non-Major Funds	Total Governmental Funds
Ad valorem taxes	6,396,342	10,683	6,407,025
Privilege licenses	735		735
Other taxes and licenses	645,781		645,781
Local sales tax	3,232,742		3,232,742
Franchise tax	873,498		873,498
Other unrestricted intergovernmental revenues	1,323,053		1,323,053
Restricted intergovernmental revenues	1,648,033	15,200	1,663,233
Permits and fees	363,944		363,944
Sales and services	2,098,569		2,098,569
Interest on investments	47,212	201	47,413
Miscellaneous	111,590		111,590
Total revenues	16,741,499	26,084	16,767,583
Expenditures			
Current:			
General government	3,095,718		3,095,718
Public safety	7,754,835	49,159	7,803,994
Cultural and recreational	793,379		793,379
Transportation	2,527,877		2,527,877
Economic and physical development		17,157	17,157
Environmental protection	1,707,790		1,707,790
Public Works	1,353,696		1,353,696
Special appropriations	585,587		585,587
Non Departmental	(49,419)		(49,419)
Debt service:			
Principal	913,355		913,355
Interest	119,711		119,711
Total expenditures before charge-out	18,802,529	66,316	18,868,845
Less: Administrative cost charged to water and sewer fund	1,827,634		1,827,634
Total expenditures	16,974,895	66,316	17,041,211
Excess (deficiency) of revenues over expenditures	(233,396)	(40,232)	(273,628)
Other financing Sources (Uses)			
Transfers in			
Transfer from/to funds	40,702	(40,702)	-
Proceeds from installment purchase	1,942,892		1,942,892
Total other financing sources and uses	1,983,594	(40,702)	1,942,892
Net change in fund balance	1,750,198	(80,934)	1,669,264
Fund balances - beginning of year	10,651,957	125,297	10,777,254
Fund balances - ending of year	<u>12,402,155</u>	<u>44,363</u>	<u>12,446,518</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, 2021

Exhibit 4

	Total
Net change in fund balances - total governmental funds	1,669,264
<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 (\$2,814,128) net of disposals (\$0)exceeded depreciation (\$1,432,129) in the current period.</p>	
	1,381,999
<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 - \$180).</p>	
	(180)
Liability for earned but deferred revenues in fund statements	31,108
<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 (\$1,942,892) exceeded repayments (\$913,355).</p>	
	(1,029,537)
<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 (\$13,638), net pension obligation (\$137,594), other post-employment benefits \$330,860, and pension expense (\$408,508).</p>	
	(228,880)
<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>	
	<u>315,325</u>
Change in net position of governmental activities	<u><u>2,139,099</u></u>

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

Exhibit 5

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	6,355,500	6,355,500	6,396,342	40,842
Privilege licenses	800	800	735	(65)
Other taxes and licenses	603,000	603,000	645,781	42,781
Local sales tax	2,739,100	2,739,100	3,232,742	493,642
Franchise tax	921,000	921,000	873,498	(47,502)
Other unrestricted intergovernmental revenues	1,147,100	1,147,100	1,323,053	175,953
Restricted intergovernmental revenues	714,500	2,077,500	1,648,033	(429,467)
Permits and fees	124,700	124,700	363,944	239,244
Sales and services	2,167,500	2,183,000	2,098,569	(84,431)
Interest on investments	150,200	150,200	47,212	(102,988)
Miscellaneous	55,500	84,300	111,590	27,290
Total revenues	<u>14,978,900</u>	<u>16,386,200</u>	<u>16,741,499</u>	<u>355,299</u>
EXPENDITURES				
General government:				
Governing body	108,100	108,100	82,525	25,575
Administration & Legal	370,000	497,500	469,407	28,093
Finance/Human Resources	608,400	634,700	587,648	47,052
Planning	603,400	627,400	577,991	49,409
Business Development	500,900	545,100	418,314	126,786
Engineering	316,900	328,900	288,475	40,425
Information Technology	732,500	746,500	671,358	75,142
Total general government	<u>3,240,200</u>	<u>3,488,200</u>	<u>3,095,718</u>	<u>392,482</u>
Public works:				
Facilities & Grounds	1,017,700	1,137,200	958,573	178,627
City Garage	463,400	468,900	395,123	73,777
Total public works	<u>1,481,100</u>	<u>1,606,100</u>	<u>1,353,696</u>	<u>252,404</u>
Public safety:				
Police department	5,032,700	5,469,000	4,855,698	613,302
Fire department	1,624,400	2,950,400	2,899,137	51,263
Total public safety	<u>6,657,100</u>	<u>8,419,400</u>	<u>7,754,835</u>	<u>664,565</u>
Transportation:				
Streets	2,108,000	2,534,400	1,828,524	705,876
Powell Bill	705,500	705,500	699,353	6,147
Total Transportation	<u>2,813,500</u>	<u>3,239,900</u>	<u>2,527,877</u>	<u>712,023</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, 2021

Exhibit 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Environmental protection	1,961,900	1,976,200	1,707,790	268,410
Cultural and recreational	1,073,700	1,096,000	793,379	302,621
Special Appropriations	344,300	862,080	585,587	276,493
Non Departmental - Bad Debt Expense			(49,419)	49,419
Debt Service:				
Principal	1,033,200	1,097,900	913,355	184,545
Interest	167,500	156,300	119,711	36,589
Total debt service	1,200,700	1,254,200	1,033,066	221,134
Contingency	400,000	-	-	-
Total expenditures before charge-out	19,172,500	21,942,080	18,802,529	3,139,551
Less: administrative cost charged to water and sewer fund	2,023,500	2,023,500	1,827,634	(195,866)
Total expenditures	17,149,000	19,918,580	16,974,895	2,943,685
Excess (deficiency) of revenues over expenditures	(2,170,100)	(3,532,380)	(233,396)	3,298,984
OTHER FINANCING SOURCES (USES)				
Proceeds from installment purchase and capital lease	1,063,400	2,417,400	1,942,892	(474,508)
Transfer from Other Funds			40,702	40,702
Fund balance appropriated	1,106,700	1,114,980		(1,114,980)
Total other financing sources (uses)	2,170,100	3,532,380	1,983,594	(1,548,786)
Net changes in fund balances	-	-	1,750,198	1,750,198
Fund balances - beginning of year			10,651,957	
Fund balances - end of year			12,402,155	

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

City of Eden
Statement of Fund Net Position
Proprietary Funds
6/30/2021

Exhibit 6

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Water and Sewer Fund</u>	<u>Self Insured Insurance Fund</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	3,837,856	982,857
Cash and Cash Equivalents - Restricted Deposits	365,420	
Customer Receivables, net of allowance for uncollectibles of \$799,744	465,437	
Unbilled Water Receivable	1,100,225	
Other Receivables	3,620,288	46,037
Inventory	300,528	
Prepaid Expenses	4,564	
Total Current Assets	<u>9,694,318</u>	<u>1,028,894</u>
Noncurrent Assets:		
Capital Assets:		
Land	1,826,960	
Construction in Progress	17,349,092	
Water and Sewer Systems	91,296,643	
Furniture, Machinery, Equipment	15,577,922	
Vehicles	1,431,194	
Less Accumulated Depreciation	<u>(55,400,096)</u>	
Capital Assets (Net)	<u>72,081,715</u>	<u>-</u>
Total Assets	<u>81,776,033</u>	<u>1,028,894</u>
Deferred Outflows of Resources - Contributions to		
Pension Plan	533,424	
OPEB	<u>503,298</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,036,722</u>	<u>-</u>

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, 2021

Exhibit 6

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Liabilities:		
Current Liabilities:		
Accounts Payable	1,694,968	220,043
Due to grantor's agency	230,397	
Due from other funds	11,407	
Customer Deposits	365,420	
Bonds and Installment Purchases Payable - Current Maturities	2,005,274	
Total Current Liabilities	4,307,466	220,043
Noncurrent Liabilities:		
Accrued Vacation Pay	153,550	
Bonds and Installment Purchases Payable - Long-Term Portion	14,925,006	
Net Pension Liability	967,741	
Net OPEB Liability	1,832,950	
Total Noncurrent Liabilities	17,879,247	-
Total Liabilities	22,186,713	220,043
Deferred Inflows of Resources:		
Other Deferred Inflows of Resources	-	
OPEB Deferrals	83,355	
Pension Deferrals	10	
Total Deferred Inflows of Resources	83,365	-
Net Position		
Net Investment in Capital Assets	55,151,435	
Unrestricted	5,391,242	808,851
Total Net Position	60,542,677	808,851

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, 2021

Exhibit 7

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Operating Revenue		
User Charges	9,952,215	3,416,818
Operating Expenses		
W/S Administration	380,534	
Billing and Collections	461,708	
Water Filtration	1,146,924	
Maintenance	1,759,689	
Waste Treatment	1,188,373	
Water and Sewer Resources	565,357	
Depreciation Expense	2,484,248	
Pension Expense	129,002	
Non-Departmental	1,827,634	
OPEB Expense	(77,609)	
Bad Debt Expense	87,494	
Sewer Construction Maintenance	19,830	
Gross Insurance Fixed Cost	-	716,514
Insurance Claims	-	2,387,811
Total Operating Expenses	9,973,184	3,104,325
Net Operating Income (Loss)	(20,969)	312,493
Non-Operating Revenues (Expenses)		
Interest on Investments	29,476	2,832
Other Revenues	170,282	
Interest Expense	(143,787)	
Total Non-Operating Revenue (Expense)	55,971	2,832
Income (Loss) Before Contributions and Transfers	35,002	315,325
Capital Contributions/Grants		
Duke Energy Reimbursement	14,680	
NC Connect Bond	3,228,444	
EDA Grant	147,497	
Drinking Water Reserve Grant	169,388	
SAP Grant - Mega Park WL	710,624	
SAP Grant - Sewer Line Smith River RR	310,000	
	4,580,633	
Change in Net Position	4,615,635	315,325
Total Net Position, Previously Reported	55,927,042	493,526
Net Position - End of Year	60,542,677	808,851

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, 2021

Exhibit 8

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Water and Sewer Fund</u>	<u>Self Insured Insurance Fund</u>
Cash Flows from Operating Activities:		
Cash Received from Customers	7,950,979	3,401,290
Cash Paid for Goods and Services	(4,884,541)	(3,108,459)
Cash Paid to Employees	(2,209,522)	
Customer Deposits Received	82,590	
Customer Deposits Returned	<u>(65,780)</u>	
Net Cash Provided by Operating Activities	<u>873,726</u>	<u>292,831</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(8,646,487)	
Principal Paid on Bond and Installment Purchases	(1,964,804)	
Interest Paid on Bond and Installment Purchases	(143,787)	
Miscellaneous	10,878	
Insurance Proceeds	8,303	
Proceeds from Sale of Capital Assets	10,574	
Proceeds from Class Action - Liquid Sulfate	140,529	
Proceeds from NC Connect Bond Grant	3,228,444	
Proceeds from EDA Grant	169,388	
Proceeds from Drinking Water Reserve Grant	147,497	
Proceeds from General Assembly Appropriation	710,624	
Proceeds from Duke Energy Reimbursement	14,680	
Proceeds from SAP Grant - Sewer Line Smith River RR	310,000	
Proceeds from Installment Loan	<u>3,670,934</u>	
	<u>(2,333,227)</u>	<u>-</u>
Cash Flows from Non-Capital (Use of Funds)		
Due to/from Other Funds	<u>(40)</u>	
Cash Flows from Investing Activities:		
Interest on Investments	<u>29,476</u>	<u>2,832</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,430,065)	295,663
Cash and Cash Equivalents:		
Beginning of Year, July 1	<u>5,633,341</u>	<u>687,194</u>
End of Year, June 30	<u><u>4,203,276</u></u>	<u><u>982,857</u></u>

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, 2021

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	(20,969)	312,493
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,484,248	
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	30,070	
(Increase) Decrease in Unbilled Water Receivables and Assessments Receivable	35,588	
(Increase) Decrease in Other Receivables	(2,052,215)	(15,528)
(Increase) Decrease in Prepaid Expenses	(1,318)	
(Increase) Decrease in Inventories	(11,481)	
(Increase) Decrease in Deferred Outflows of Resources	(393,176)	
Increase (Decrease) in Accounts Payable, Retainage Payable, and Accrued Liabilities	532,638	(4,134)
Increase (Decrease) in Due to Grantor's Agency	(172,976)	
Increase (Decrease) in Customer Deposits	16,810	
Increase (Decrease) in Accrued Vacation Pay	(3,382)	
Increase (Decrease) in Net Pension Liability	197,883	
Increase (Decrease) in Deferred Inflows of Resources	(38,098)	
Increase (Decrease) in Post Employment Benefits	270,104	
Net Cash Provided by Operating Activities	873,726	292,831

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, 2021

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the 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 two Special Revenues Fund, the Municipal Service District Tax Fund and CDBG Draper Housing.

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. Three water and sewer capital projects funds, Mega Park Water Line, EPA/AOC Sewer Project and Metro Pump Station, 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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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 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.

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 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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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.

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021 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) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The 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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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. Unexpected loan proceeds for vehicles and information technologies are

City of Eden Restricted Cash

Governmental Activities

General Fund

Streets	29,646
Police Protection	144,605
Information	
Technology	<u>65,787</u>

Total Governmental Activities 240,038

Business-type Activities

Water and Sewer Fund

Customer Deposits	<u>365,420</u>
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Total Business-type Activities 365,420

Total Restricted Cash 605,458

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, 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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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 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 is 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:

<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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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 2020-2021 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 2021 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The 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 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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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.

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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.

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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.

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021, the City's deposits had a carrying amount of \$15,809,567 and a bank balance of \$16,298,102. 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, 2021, the City's petty cash fund totaled \$5,910. The carrying amount of deposits for the ABC Board was \$372,681 and the bank balance was \$384,696. 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, 2021 the City of Eden had \$33,743 (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, 2021

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, 2021 are net of the following allowances for doubtful accounts:

Fund	6/30/2021
General Funds - Taxes Receivable	167,235
Accounts Receivable	419,231
Enterprise Fund - Water & Sewer Fund	
Customers	799,744
Miscellaneous Accounts Receivable	285
	<u>1,386,495</u>

4. Capital Assets

Primary Government

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

	Balance June 30, 2020	Additions Year Ending 6/30/2021	Reductions Year Ending 6/30/2021	Transfers Year Ending 6/30/2021	Balance June 30, 2021
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	1,325,229				1,325,229
Construction in Progress*	134,080	27,223			161,303
	<u>1,459,309</u>	<u>27,223</u>	-	-	<u>1,486,532</u>
Capital Assets Being Depreciated:					
Municipal Park	3,243,128	24,224			3,267,352
Land Improvements	3,768,977				3,768,977
Buildings	3,047,746				3,047,746
Building Improvements	5,106,740				5,106,740
Vehicles	8,294,153	1,726,229	(498,373)		9,522,009
Furniture	39,303				39,303
Off Road Equipment	690,919				690,919
Other Equipment	3,388,299	337,099			3,725,398
Infrastructure	17,069,432	699,353			17,768,785
Radios	656,291				656,291
Total Capital Assets Being Depreciated	<u>45,304,988</u>	<u>2,786,905</u>	<u>(498,373)</u>	-	<u>47,593,520</u>
Less: Accumulated Depreciation For:					
Municipal Park	596,942	64,888			661,830
Land Improvements	1,241,296	75,287			1,316,583
Buildings	2,126,715	20,909			2,147,624
Building Improvements	1,862,337	99,019			1,961,356
Vehicles	6,760,454	635,476	(498,373)		6,897,557
Furniture	39,303				39,303
Off Road Equipment	518,906	35,743			554,649
Other Equipment	2,534,104	152,510			2,686,614
Infrastructure	4,947,738	348,297			5,296,035
Radios	656,290				656,290
Total Accumulated Depreciation	<u>21,284,085</u>	<u>1,432,129</u>	<u>(498,373)</u>	-	<u>22,217,841</u>
Total Capital Assets Being Depreciated Net	<u>24,020,903</u>				<u>25,375,679</u>
Governmental Activities Capital Assets Net	<u>25,480,212</u>				<u>26,862,211</u>
*Construction in Progress					
Stadium Drive Sidewalk	<u>161,303</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, 2021

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

General Government	186,825
Public Safety	367,937
Transportation	503,755
Environmental Protection	240,194
Cultural and Recreational	<u>133,418</u>
	<u><u>1,432,129</u></u>

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type activities:					
Water and Sewer Fund					
Capital assets not being depreciated:					
Land	1,826,960				1,826,960
Construction in process	<u>13,178,629</u>	<u>8,067,408</u>	<u>(3,896,945)</u>	<u> </u>	<u>17,349,092</u>
Total capital assets not being depreciated	<u>15,005,589</u>	<u>8,067,408</u>	<u>(3,896,945)</u>	<u> </u>	<u>19,176,052</u>
Capital assets being depreciated:					
Plant and distribution systems	86,918,556	481,142	3,896,945		91,296,643
Furniture and maintenance equipment	15,490,837	87,085			15,577,922
Vehicles	<u>1,482,313</u>	<u>10,852</u>	<u> </u>	<u>(61,971)</u>	<u>1,431,194</u>
Total capital assets being depreciated	<u>103,891,706</u>	<u>579,079</u>	<u>3,896,945</u>	<u>(61,971)</u>	<u>108,305,759</u>
Less accumulated depreciation for:					
Plant and distribution systems	39,211,919	1,639,922			40,851,841
Furniture and maintenance equipment	12,741,319	743,504			13,484,823
Vehicles	<u>1,024,581</u>	<u>100,822</u>	<u> </u>	<u>(61,971)</u>	<u>1,063,432</u>
Total accumulated depreciation	<u>52,977,819</u>	<u>2,484,248</u>	<u> </u>	<u>(61,971)</u>	<u>55,400,096</u>
Total capital assets being depreciated, net	<u>50,913,887</u>				<u>52,905,663</u>
Water and Sewer Fund capital assets, net	<u><u>65,919,476</u></u>				<u><u>72,081,715</u></u>

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Construction Commitments

The City of Eden has active construction projects as of June 30, 2021.

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	5,821,335	1,317,565
2	Remediation Plan Expenditures EPAAOC	April 2022*	35,725,600	15,342,442	20,383,158
			<u>42,864,500</u>	<u>21,163,777</u>	<u>21,700,723</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, 2021

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	06/30/2021	Reductions Year Ending 6/30/2021	Balance June 30, 2021
Capital assets not being depreciated:				
Land	95,335			95,335
Capital assets being depreciated:				
Building	230,130			230,130
Parking lot improvements	30,390			30,390
Furniture/equipment	61,916			61,916
Total capital assets being depreciated	322,436	-	-	322,436
Less accumulated depreciation for:				
Building	209,348	7,026		216,374
Parking lot improvements	14,740	1,820		16,560
Furniture/equipment	51,320	1,844		53,164
Total accumulated depreciation	275,408	10,690	-	286,098
Capital assets being depreciated, net	47,028			36,338
ABC capital assets, net	142,363			131,673

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021 was 10.84% of compensation for law enforcement officers and 10.15% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Eden were \$871,761 for the year ended June 30, 2021.

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, 2021, the City reported a liability of \$4,032,255 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The 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, 2020, the City's proportion was 0.11284%, which was a decrease of 0.00462% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$1,409,271. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual Experience	509,203	
Changes of assumptions	300,079	
Net difference between projected and actual earnings on pension plan investments	567,431	
Changes in proportion and difference between City contributions and proportionate share of contributions City contributions subsequent to the measurement date	33,938	46
	<u>871,761</u>	<u> </u>
Total	<u>2,282,412</u>	<u> 46</u>

\$871,761 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	402,617
2023	526,691
2024	313,359
2025	167,931
<i>Thereafter</i>	<u> -</u>
	<u>1,410,598</u>

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

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by 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, 2020 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 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the 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)	\$8,181,004	\$4,032,254	\$584,351

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

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2019 (Valuation Date), the Separation Allowance's membership consisted of:

Retirees receiving benefits	12
Active plan members	<u>43</u>
Total	<u>55</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, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	1.93 percent

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

The actuarial assumptions used in the December 31, 2019 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, 2019.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021, the City reported a total pension liability of \$2,968,659. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$328,490.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	244,876	59,677
Changes of assumptions and other inputs	607,195	32,308
Benefit payments and administrative expenses subsequent to the measurement date	96,168	
	948,239	91,985
Total		

\$96,168 paid as benefits came due subsequent to the measurement date has been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 203,433
2023	145,074
2024	180,996
2025	151,019
2026	79,564
Thereafter	-

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	\$3,178,842	\$2,968,659	\$2,773,837

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

Beginning balance as of December 31, 2019	\$2,213,696
Service Cost	59,607
Interest on the total pension liability	69,285
Change in benefit terms	-
Difference between expected and actuarial experience	132,828
Changes of assumptions and other inputs	670,046
Benefit payments	(176,803)
Other	-
Net Changes	<u>\$ 754,963</u>
Total Pension Liability as of December 31, 2020	<u>\$2,968,659</u>

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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	1,409,271	328,490	1,737,761
Pension Liability	4,032,254	2,968,659	7,000,913
Proportionate share of the net pension liability	0.11284%	-	
 <u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	509,203	244,876	754,079
Changes of assumptions	300,079	607,195	907,274
Net difference between projected and actual earnings on plan investments	567,431	-	567,431
Changes in proportion and differences between contributions and proportionate share of contributions	33,934	-	33,934
Benefit payments and administrative costs paid subsequent to the measurement date	871,761	96,168	967,929
 <u>Deferred of Inflows of Resources</u>			
Differences between expected and actual experience	-	59,677	59,677
Changes of assumptions	-	32,308	32,308
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	50	-	50

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 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.

City of Eden, North Carolina
Notes to the Financial Statements
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The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing 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, 2021 were \$597,751 which consisted of \$422,615 from the City and \$175,136 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 Annual Comprehensive Financial Report 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
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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, 2021, 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, 2021 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 \$35,088. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions.

The 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, 2021 and at June 30, 2020 was 0%.

For the year ended June 30, 2021, the City recognized pension expense of \$14,046 and revenue of \$14,046 for support provided by the State. At June 30, 2021, 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

City of Eden, North Carolina
Notes to the Financial Statements
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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 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 Annual Comprehensive Financial Report 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.

City of Eden, North Carolina
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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>

Total OPEB Liability

The City's OPEB liability of \$9,647,105 was measured as of June 30, 2020 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	3.50%
Measurement Date	2.21%
Healthcare Cost Trends	
Pre-Medicare and Medical And Prescription Dr	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

City of Eden, North Carolina
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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, 2019	<u>\$8,225,502</u>
Changes for the year	
Service Cost	311,188
Interest	290,089
Changes of benefit terms	-
Differences between expected and actual experience	174,518
Changes in assumptions	1,146,972
Benefits payments	<u>(501,164)</u>
Net Changes	<u>1,421,603</u>
Balance at June 30, 2020	<u>\$9,647,105</u>

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

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

The 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate.

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 10,669,082	\$ 9,647,105	\$ 8,742,601

City of Eden, North Carolina
Notes to the Financial Statements
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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	\$ 8,572,876	\$ 9,647,105	\$ 10,922,808

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$807,312. At June 30, 2021, 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	252,270	149,404
Changes of assumptions	1,083,743	289,304
Benefit payments and administrative costs made subsequent to the measurement date	<u>1,312,921</u>	<u>-</u>
Total	<u>2,648,934</u>	<u>438,708</u>

\$1,312,921 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:

Year Ended June 30:	
2021	\$206,035
2022	\$206,035
2023	\$206,035
2024	\$227,754
2025	\$51,446
Thereafter	-

City of Eden, North Carolina
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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
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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
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3. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources at year end are compromised of the following:

	Statement of Net Position		General Fund Balance Sheet
	Outflows of Resources	Inflows of Resources	
Contribution to Pension plan subsequent to measurement date	967,929		
Contribution to OPEB plan Subsequent to measurement date	1,312,921		95,055
Taxes Receivable			
Prepaid privilege licenses		410	410
Prepaid property and motor vehicle taxes		24,669	24,669
Other miscellaneous receivable		986	986
Difference between expected and actual experience	1,006,349	209,081	
Change in assumption	1,991,017	321,612	
Net difference between projected and actual earnings on pension plan investments	567,431		
Changes in proportion and differences between employer contributions and proportionate share of contribution	33,938	46	
Total	<u>5,879,585</u>	<u>556,804</u>	<u>121,120</u>

City of Eden, North Carolina
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4. Risk Management

The City exposed to various risk of loss related to torts; thefts of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in two self-funded financing 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.

The City of Eden, since it is located in Flood Zone C, has limited flood coverage through its property insurance administrated 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 either wholly or partially.

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-

City of Eden, North Carolina
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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.

5. Long Term Obligations

a. Installment Purchases

Governmental Activities

General Fund

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, 2021 including \$74,914 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	42,793	12,038
2023	43,769	11,062
2024	44,766	10,065
2025	45,787	9,044
2026	46,831	8,000
2025-2030	250,667	23,488
2030-2032	<u>53,374</u>	<u>1,217</u>
Present Value of Installment Purchase Payments	<u>527,987</u>	
Total Interest Payments		<u>74,914</u>

City of Eden, North Carolina
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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, 2021 including \$3,978 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	64,137	2,643
2023	65,445	1,335
Present Value of Installment Purchase Payments	<u>129,582</u>	
Total Interest Payments		<u>3,978</u>

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, 2021 including \$163,626 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	65,855	24,080
2023	67,587	22,348
2024	69,365	20,571
2025	71,189	18,746
2026	73,061	16,874
2026-2031	395,160	54,517
2031-2033	<u>173,382</u>	<u>6,490</u>
Present Value of Installment Purchase Payments	<u>915,599</u>	
Total Interest Payments		<u>163,626</u>

City of Eden, North Carolina
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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, 2021 including \$3,025 of interest are as follows:

<u>Governmental Activities</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	58,316	2,011
2023	<u>59,313</u>	<u>1,014</u>
Present Value of Installment Purchase Payments	<u>117,629</u>	
Total Interest Payments		<u>3,025</u>

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, 2021 including \$4,127 of interest are as follows:

<u>Governmental Activities</u>		
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	59,440	2,741
2023	<u>60,795</u>	<u>1,386</u>
Present Value of Installment Purchase Payments	<u>120,235</u>	
Total Interest Payments		<u>4,127</u>

City of Eden, North Carolina
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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, 2021 including \$1,782 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	28,735	1,184
2023	<u>29,321</u>	<u>598</u>
Present Value of Installment Purchase Payments	<u>58,056</u>	
Total Interest Payments		<u>1,782</u>

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, 2021 including \$3,518 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	35,429	2,333
2023	<u>36,577</u>	<u>1,185</u>
Present Value of Installment Purchase Payments	<u>72,006</u>	
Total Interest Payments		<u>3,518</u>

City of Eden, North Carolina
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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, 2021 including \$2,001 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	11,102	991
2023	11,422	670
2024	<u>11,753</u>	<u>340</u>
Present Value of Installment Purchase Payments	<u>34,277</u>	
Total Interest Payments		<u>2,001</u>

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, 2021 including \$5,835 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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>90,516</u>	
Total Interest Payments		<u>5,835</u>

City of Eden, North Carolina
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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, 2021 including \$5,097 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>79,074</u>	
Total Interest Payments		<u>5,097</u>

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, 2021 including \$162,473 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	56,620	26,251
2023	58,675	24,196
2024	60,805	22,066
2025	63,012	19,859
2026	65,300	17,572
2026-2031	363,823	50,534
2031-2034	<u>54,946</u>	<u>1,995</u>
Present Value of Installment Purchase Payments	<u>723,181</u>	
Total Interest Payments		<u>162,473</u>

City of Eden, North Carolina
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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, 2021 including \$5,113 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>92,392</u>	
Total Interest Payments		<u>5,113</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, 2021 including \$2,650 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>47,886</u>	
Total Interest Payments		<u>2,650</u>

City of Eden, North Carolina
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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, 2021 including \$2,731 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>49,352</u>	
Total Interest Payments		<u>2,731</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, 2021 including \$2,366 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>43,759</u>	
Total Interest Payments		<u>2,366</u>

City of Eden, North Carolina
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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, 2021 including \$2,835 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>52,439</u>	
Total Interest Payments		<u>2,835</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, 2021 including \$14,847 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	84,945	5,889
2023	86,380	4,454
2024	87,840	2,994
2025	<u>89,325</u>	<u>1,510</u>
Present Value of Installment Purchase Payments	<u>348,490</u>	
Total Interest Payments		<u>14,847</u>

City of Eden, North Carolina
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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, 2021 including \$3,767 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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>69,676</u>	
Total Interest Payments		<u>3,767</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, 2021 including \$10,407 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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>188,048</u>	
Total Interest Payments		<u>10,407</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021 including \$12,787 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>242,251</u>	
Total Interest Payments		<u>12,787</u>

On April 26, 2021 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of Financial Software in the amount of \$87,275 for the use of the Finance department. The financing contract requires principal payments beginning in the fiscal year 2021-2022 with interest rate of 1.27%.

The future minimum payments of the installment purchase as of June 30, 2021 including \$3,353 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	17,017	1,108
2023	17,234	892
2024	17,452	674
2025	17,674	452
2026	<u>17,898</u>	<u>227</u>
Present Value of Installment Purchase Payments	<u>87,275</u>	
Total Interest Payments		<u>3,353</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

On April 26, 2021 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of (8) Dodge police vehicles in the amount of \$350,182 for the use of the Police department. The financing contract requires principal payments beginning in the fiscal year 2021-2022 with interest rate of 1.27%.

The future minimum payments of the installment purchase as of June 30, 2021 including \$13,454 of interest are as follows:

	<u>Governmental Activities</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	68,280	4,447
2023	69,147	3,580
2024	70,025	2,702
2025	70,915	1,813
2026	<u>71,815</u>	<u>912</u>
Present Value of Installment Purchase Payments	<u>350,182</u>	
Total Interest Payments		<u>13,454</u>

On May 20, 2021 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a 2020 Sutphen Ladder truck and a 2021 Sutphen Pumper truck in the amount of \$1,354,000 for the use of the Fire department. The financing contract requires principal payments beginning in the fiscal year 2021-2022 with interest rate of 2.47%.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

The future minimum payments of the installment purchase as of June 30, 2021 including \$282,749 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	75,673	33,444
2023	77,542	31,575
2024	79,457	29,659
2025	81,420	27,697
2026	83,431	25,686
2026-2031	449,102	96,480
2031-2036	<u>507,375</u>	<u>38,208</u>
Present Value of Installment Purchase Payments	<u>1,354,000</u>	
Total Interest Payments		<u>282,749</u>

On June 29, 2021 the City of Eden entered into a direct borrowing installment purchase contract to finance the purchase of a John Deere Wheel Loader in the amount of \$151,435 for the use of the Street department. The financing contract requires principal payments beginning in the fiscal year 2021-2022 with interest rate of 1.23%.

The future minimum payments of the installment purchase as of June 30, 2021 including \$5,634 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	29,551	1,863
2023	29,915	1,499
2024	30,282	1,131
2025	30,655	759
2026	<u>31,032</u>	<u>382</u>
Present Value of Installment Purchase Payments	<u>151,435</u>	
Total Interest Payments		<u>5,634</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021 including \$13,875 of interest are as follows:

Year	Governmental		Enterprise		Total	
<u>Ending</u>	<u>Activities</u>		<u>Fund</u>			
June 30	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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>

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, 2021 including \$18,781 of interest are as follows:

	<u>Water and Sewer Fund</u>	
Year Ending	<u>Principal</u>	<u>Interest</u>
<u>June 30</u>		
2022	<u>644,996</u>	<u>18,781</u>
Present Value of Installment Purchase Payments	<u>644,996</u>	
Total Interest Payments		<u>18,781</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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.

	<u>Water and Sewer Fund</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	15,507	
2023	15,507	
2024	15,507	
2025	15,507	
2026	15,507	
2026-2031	<u>62,025</u>	
Present Value of Installment Purchase Payments	<u>139,560</u>	
Total Interest Payments		<u>0</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021 including \$110,129 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2022	57,747	16,943
2023	57,747	15,531
2024	57,747	14,119
2025	57,747	12,707
2026	57,747	11,295
2026-2031	288,733	35,298
2031-2033	<u>115,492</u>	<u>4,236</u>
Present Value of Installment Purchase Payments	<u>692,960</u>	
Total Interest Payments		<u>110,129</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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.

	<u>Water and Sewer Fund</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	98,470	
2023	98,470	
2024	98,470	
2025	98,470	
2026	98,470	
2026-2031	492,349	
2031-2034	<u>295,409</u>	
Present Value of Installment Purchase Payments	<u>1,280,108</u>	
Total Interest Payments		<u>0</u>

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>
2022	161,457	
2023	161,457	
2024	161,457	
2025	161,457	
2026	161,457	
2026-2031	807,282	
2031-2035	<u>645,824</u>	
Present Value of Installment Purchase Payments	<u>2,260,391</u>	
Total Interest Payments		<u>0</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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>
2022	148,374	
2023	148,374	
2024	148,374	
2025	148,374	
2026	148,374	
2026-2031	741,871	
2031-2036	<u>741,871</u>	
Present Value of Installment Purchase Payments	<u>2,225,612</u>	
Total Interest Payments		<u>0</u>

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

The future minimum payments of the installment purchase as of June 30, 2021 including \$140,050 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2022	94,495	25,928
2023	96,848	23,575
2024	99,260	21,163
2025	101,731	18,692
2026	104,265	16,159
2026-3031	<u>544,680</u>	<u>40,533</u>
Present Value of Installment Purchase Payments	<u>1,041,279</u>	
Total Interest Payments		<u>146,050</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, 2021 including \$1,007 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2022	<u>45,575</u>	<u>1,007</u>
Present Value of Installment Purchase Payments	<u>45,575</u>	
Total Interest Payments		<u>1,007</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021 including \$961 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2022	5,169	476
2023	5,323	322
2024	<u>5,482</u>	<u>163</u>
Purchase Payments	<u>15,974</u>	
Total Interest Payments		<u>961</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, 2021 including \$15,042 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
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>249,924</u>	
Total Interest Payments		<u>15,042</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021 including \$4,333 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
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>67,214</u>	
Total Interest Payments		<u>4,333</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, 2021 including \$3,126 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
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>48,495</u>	
Total Interest Payments		<u>3,126</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021 including \$7,690 of interest are as follows:

	<u>Water and Sewer Fund</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>142,238</u>	
Total Interest Payments		<u>7,690</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, 2021 including \$3,089 of interest are as follows:

	<u>Water and Sewer Fund</u>	
Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
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>70,410</u>	
Total Interest Payments		<u>3,089</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

At June 30, 2021, the City of Eden had received \$10,889,520 from the Department of Environmental Quality – Division of Water Infrastructure, of which \$5,444,760 was a loan and \$5,444,760 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	272,238	
2024	272,238	
2025	272,238	
2026	272,238	
2027	272,238	
2027-2032	1,361,190	
2032-2037	1,361,190	
2037-2042	<u>1,361,190</u>	
Present Value of Installment Purchase Payments	<u>5,444,760</u>	

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

At June 30, 2021, the City of Eden had received \$2,094,880 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 0.72%. 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	97,759	15,083
2023	98,463	14,379
2024	99,172	13,670
2025	99,886	12,956
2026	100,605	12,237
2026-2031	513,997	50,215
2036-2037	532,770	31,444
2037-2042	<u>552,228</u>	<u>11,986</u>
Present Value of Installment Purchase Payments	<u>2,094,880</u>	
Total Interest Payments		<u>161,970</u>

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, 2021 the City of Eden had a legal debt margin of \$73,628,094.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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

	Installment Purchases		Total Due
	Principal	Interest	Principal and Interest
<u>Governmental Activities</u>			
2021-2022	1,035,268	145,612	1,180,880
2022-2023	963,953	122,251	1,086,204
2023-2024	728,548	100,688	829,236
2024-2025	672,736	84,236	756,972
2025-2026	389,368	69,653	459,021
2026-2031	1,458,753	225,019	1,683,772
2031-2036	789,076	47,909	836,985
	<u>6,037,702</u>	<u>795,368</u>	<u>6,833,070</u>
<u>Water and Sewer</u>			
2021-2022	2,005,274	105,201	2,110,475
2022-2023	1,128,892	64,578	1,193,470
2023-2024	1,136,939	55,119	1,192,058
2024-2025	1,010,167	45,455	1,055,622
2025-2026	958,662	39,691	998,353
2026-2031	4,812,130	126,046	4,938,176
2031-2036	3,692,560	35,679	3,728,239
2036-2041	1,913,418	11,985	1,925,403
2041-2042	272,238	-	272,238
	<u>16,930,280</u>	<u>483,754</u>	<u>17,414,034</u>

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

d. Changes in Long-Term Liabilities

	General Long Term Debt June 30, 2020	Additions	Retirement	General Long Term Debt June 30, 2021	Current Portion of Balance
Governmental Activities					
By type of debt;					
Direct Placement					
Installment purchases	5,008,165	1,942,892	913,355	6,037,702	1,035,268
Compensated absences	647,694	13,638		661,332	
Other Post Employment Benefits	<u>6,662,657</u>	<u>1,151,498</u>		<u>7,814,155</u>	
Governmental Activities Long-Term Liabilities	<u>12,318,516</u>	<u>3,108,028</u>	<u>913,355</u>	<u>14,513,189</u>	<u>1,035,268</u>
Business-type Activities					
Direct Placement					
Installment Purchases	15,224,150	3,670,934	1,964,804	16,930,280	2,005,274
Compensated absences	156,933		3,382	153,551	
Other Post Employment Benefits	<u>1,562,845</u>	<u>270,105</u>		<u>1,832,950</u>	
	<u>16,943,928</u>	<u>3,941,039</u>	<u>1,968,186</u>	<u>18,916,781</u>	<u>2,005,274</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

C. Interfund Balances and Activity

Balance due to/from other funds:

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

Due to the General Fund from the Water and Sewer Fund	<u>11,407</u>
Due to General Fund from Component Unit – Eden ABC Board	<u>16,256</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, 2021, the City of Eden has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of \$14,046 for the 25 volunteer firemen and 14 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>12,402,155</u>
Less:	
Inventories	238,267
Prepaid Expenses	54,910
Stabilization by State Statute	2,122,298
Streets – Powell Bill	29,647
Public Safety	42,340
Historic Preservation	7,825
Economic Development	81,376
Cultural & Recreational	7,260
Working Capital/Fund Policy (3 months operating expenditures)	<u>4,243,724</u>
Remaining Fund Balance	<u>5,574,508</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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 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. No 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. When it became apparent by city administration that the mandate could not be complied with by the expected date, a request for a time extension on the EPA-AOC was filed with the EPA in Atlanta, Georgia. Currently the extension has preliminary approval and has been sent to its legal division for final approval and completion of documents to be signed. It is anticipated that the extension will be approved by February 28, 2022.

Required Supplemental Financial Data

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

Exhibit A-1

	2021	2020	2019	2018	2017	2016	2015	2014
Eden's proportion of the net pension liability (asset) (%)	0.1128%	0.1175%	0.1183%	0.1244%	0.1250%	0.1284%	0.1284%	0.1333%
Eden's proportion of the net pension liability (asset) (\$)	\$ 4,032,255	\$ 3,207,741	\$ 2,805,532	\$ 1,900,640	\$ 2,652,282	\$ 576,341	\$ (756,998)	\$ 1,606,777
Eden's covered-employee payroll	\$ 8,441,585	\$ 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	47.77%	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%	96.45%

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

Exhibit A-2

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 871,761	\$ 800,319	\$ 676,131	\$ 637,051	\$ 601,752	\$ 548,531	\$ 539,473	\$ 530,626
Contributions in relation to the contractually required contribution	<u>871,761</u>	<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>	<u>\$ -</u>
Eden's covered-employee payroll	\$ 8,441,585	\$ 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	10.33%	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 Seven Fiscal Years
Firefighters' and Rescue Squad Workers' Pension

Exhibit A-3

	<u>2021</u>	<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%	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>35,088</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>
	<u>\$ 35,088</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	\$ 815,832	\$ 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	4.30%	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%	89.35%	84.94%	91.40%	93.42%	92.76%	91.45%

City of Eden, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Five Fiscal Years

Exhibit A-4

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 2,213,696	\$ 2,042,190	\$ 2,258,738	\$ 1,902,543	\$ 1,895,625
Service Cost	59,607	56,126	67,933	63,496	64,111
Interest on the total pension liability	69,285	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	132,828	149,282	(145,747)	214,317	-
Changes of assumptions or other inputs	670,046	55,775	(70,549)	114,093	(42,308)
Benefit payments	(176,803)	(161,081)	(137,390)	(107,082)	(81,111)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 2,968,659</u>	<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
 Last Five Fiscal Years

Exhibit A-5

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,968,659	\$ 2,213,696	\$ 2,042,190	\$ 2,258,738	\$ 1,902,543
Covered payroll	\$ 2,248,833	\$ 2,267,666	\$ 2,268,621	\$ 2,426,635	\$ 2,312,713
Total pension liability as a percentage of covered payroll	132.01%	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
Last Four Fiscal Years

Exhibit A-6

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 311,188	\$ 415,829	\$ 426,793	\$ 455,720
Interest	290,089	272,158	240,721	203,624
Change in benefit terms	-	673,359	-	-
Differences between expected and actual experience	174,518	(242,200)	132,702	70,534
Changes of assumptions	1,146,972	253,701	(213,216)	(354,556)
Benefit payments	<u>(501,164)</u>	<u>(284,656)</u>	<u>(419,344)</u>	<u>(338,627)</u>
Net change in total OPEB liability	1,421,603	1,088,191	167,656	36,695
Total OPEB liability - beginning	<u>8,225,502</u>	<u>7,137,311</u>	<u>6,969,655</u>	<u>6,932,960</u>
Total OPEB liability - ending	<u>\$ 9,647,105</u>	<u>\$ 8,225,502</u>	<u>\$ 7,137,311</u>	<u>\$ 6,969,655</u>
Covered payroll	\$ 8,033,806	\$ 8,033,806	\$ 7,708,822	\$ 7,708,822
Total OPEB Liability as a percentage of covered payroll	120.08%	102.39%	92.59%	90.41%

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 rates used in the periods above:

<u>Fiscal Year</u>	<u>Rate</u>
2021	2.21%
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, 2021 and June 30, 2020

Exhibit B-1

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Assets:		
Cash and Cash Equivalents	10,340,759	8,821,790
Cash and Cash Equivalents - Restricted Deposits	240,038	69,922
Receivables (net):		
Taxes	95,003	63,896
Accounts Receivable	677,628	653,043
Due from Other Governmental Units	1,411,715	1,272,160
Due from Component Unit	16,256	24,151
Due from Other Funds	16,700	11,447
Inventories	238,267	215,943
Prepaid Expenses	54,908	43,238
	<u>13,091,274</u>	<u>11,175,590</u>
Total Assets		
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable and Accrued Liabilities	553,142	447,552
Client Deposits	14,859	
Deferred Inflows of Resources	121,120	76,081
	<u>689,121</u>	<u>523,633</u>
Total Liabilities		
Fund Balances:		
Non Spendable		
Inventories	238,267	215,943
Prepaid Expenses	54,908	43,238
Restricted		
Stabilization by State Statute	2,122,298	2,004,040
Streets - Powell Bill	29,647	29,584
Police Protection	42,340	40,338
Economic Development	81,376	90,937
Historic Preservation	7,825	7,825
Cultural & Recreational	7,260	13,314
Assigned		
Subsequent Year Expenditures	575,000	1,106,700
Unassigned	<u>9,243,232</u>	<u>7,100,038</u>
Total Fund Balances	<u>12,402,153</u>	<u>10,651,957</u>
Total Liabilities and Fund Balances	<u><u>13,091,274</u></u>	<u><u>11,175,590</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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Revenues:				
Ad Valorem Taxes:				
Current Year	6,184,500	92,934	6,277,434	6,115,271
Prior Years	139,100	(28,921)	110,179	267,646
Penalties and Interest on Taxes	42,600	(5,034)	37,566	52,187
Rockingham County Collection Fee				
- Vehicle Tax	(27,700)	(3,301)	(31,001)	(28,190)
Short-Term Rental Vehicle Tax	17,000	(14,836)	2,164	9,520
	<u>6,355,500</u>	<u>40,842</u>	<u>6,396,342</u>	<u>6,416,434</u>
Other Taxes & Licenses:				
Payments in Lieu of Taxes	243,400	22,844	266,244	262,977
Dog Taxes	1,000	(202)	798	934
Municipal Vehicle Tax	169,800	28,290	198,090	181,840
Franchise Fees	108,800	(4,339)	104,461	107,004
Privilege Licenses	800	(65)	735	737
Penalties on Privilege Licenses	-	9	9	2
Registration Fee	-	-	-	40
Occupancy Tax	80,000	(3,821)	76,179	65,257
	<u>603,800</u>	<u>42,716</u>	<u>646,516</u>	<u>618,791</u>
Unrestricted Intergovernmental Revenues:				
Wine and Beer Tax	65,400	(2,798)	62,602	64,623
Utilities Sales Tax	921,000	(47,502)	873,498	873,884
Solid Waste Disposal Tax	11,400	(181)	11,219	11,370
State Hold Harmless Payment	944,700	108,543	1,053,243	927,428
Local Options Sales Tax	1,110,200	243,800	1,354,000	1,150,634
Local Options Sales Tax-1/2 Cent	1,628,900	249,842	1,878,742	1,651,757
ABC Profit Distribution	125,600	70,389	195,989	127,632
	<u>4,807,200</u>	<u>622,093</u>	<u>5,429,293</u>	<u>4,807,328</u>
Restricted Intergovernmental Revenues:				
Powell Bill	452,400	(21,668)	430,732	458,255
Rockingham County	2,400	-	2,400	2,400
Controlled Substance Tax	3,500	8,937	12,437	2,156
On-Behalf of Payments				
- Fire and Rescue	16,000	(1,954)	14,046	18,496
Federal Drug Forfeiture	-	-	-	25,591
School Resource Officers:				
Rockingham County	163,300	(55)	163,245	161,415
Governor's Crime Commission Grant	47,800	(6,594)	41,206	48,143
Project Safe Rockingham County	20,500	(476)	20,024	20,023
Bulletproof Vest Grant	-	-	-	3,027
Duke Energy Foundation Grant	15,000	-	15,000	9,454
COPS Grant	54,900	(54,900)	-	79,259
Get Fit Grant	8,000	(8,000)	-	23,416
NC Community Foundation Grant	-	-	-	6,860
HCCBG Grant - Senior Center	15,000	-	15,000	-
Senoir Center General Purpose Grant	-	7,010	7,010	-
Senoir Center Tech Training Grant	12,300	(5,163)	7,137	-
RCATS Transportation Grant	-	-	-	64,984
CARES Act Proceeds	348,300	9	348,309	-
Solid Waste Recycle Grant	19,800	(19,800)	-	-
Building Reuse Grant - Gildan	500,000	-	500,000	-
NC DOT Sidewalk Grant	394,400	(331,896)	62,504	-
ABC Revenue for Law Enforcement	3,900	5,083	8,983	6,357
	<u>2,077,500</u>	<u>(429,467)</u>	<u>1,648,033</u>	<u>929,836</u>
Total	<u>2,077,500</u>	<u>(429,467)</u>	<u>1,648,033</u>	<u>929,836</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, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Permits and Fees:				
Building Permits	34,000	233,247	267,247	37,507
Plumbing Permits	6,500	441	6,941	6,837
Mechanical Permits	16,000	(2,935)	13,065	13,692
Sign Permits	400	(85)	315	230
Planning Department Applications	1,000	(420)	580	1,015
Electrical Permits	13,000	13,380	26,380	24,281
Planning Department Permits	1,000	(685)	315	940
Building Fees	300	(150)	150	300
Nuisance Fees	51,000	(3,659)	47,341	82,975
Fire Department Permits	1,500	110	1,610	1,835
Total	124,700	239,244	363,944	169,612
Sales and Services:				
Concessions	38,600	(16,781)	21,819	22,936
Court Costs	4,000	778	4,778	5,138
Parking Violations	400	(160)	240	190
Fire Protection Charges	2,500	3,749	6,249	3,369
League Entrance Fees	3,600	(3,100)	500	828
County User Fees	1,100	(905)	195	300
Pool Admissions	16,100	4,989	21,089	9,001
Splash Pad Admissions	35,000	(19,676)	15,324	19,577
Recreation Revenues:				
Lessons	500	(334)	166	491
Dixie Youth Tournament	16,000	(16,000)	-	13,016
Building Use	16,800	4,547	21,347	17,517
Field Use & Lights	7,600	(5,160)	2,440	2,140
Miscellaneous	19,000	(12,575)	6,425	22,613
Police Security	50,000	7,089	57,089	78,248
Police Security - Fringe Benefits	8,400	3,154	11,554	15,255
Restitution	5,200	(879)	4,321	7,289
Dog Fines	2,200	465	2,665	2,405
Police Revenues	2,600	4,422	7,022	8,284
Historic Preservation Book Sales	500	400	900	546
Pottery Festival Fees	4,700	1,290	5,990	200
Riverfest	35,000	(33,650)	1,350	41,824
Oink & Ale Festival	9,500	1,133	10,633	4,400
Shaggin' on Fielderest	8,000	(8,000)	-	9,593
Touch-A-Truck	1,000	(1,000)	-	2,830
Grown & Gathered	10,000	(2,855)	7,145	11,720
Vending Machine Proceeds	12,500	(4,613)	7,887	7,400
T-Shirt/Book Sales	-	20	20	430
Street Mowing and Cleaning	11,400	(5,993)	5,407	11,490
Driveway Cuts	4,000	(1,605)	2,395	4,042
Solid Waste Fees - Residential	1,366,500	12,517	1,379,017	1,365,684
Solid Waste Fees - Commercial	477,000	8,366	485,366	469,566
Dumpster Late Fees	2,500	(2,500)	-	550
Solid Waste Demolition & Abatement	3,300	(1,121)	2,179	4,741
Fuel Purchases/County Agencies	5,600	27	5,627	5,700
Fire Dept Rental - Draper Rural	1,200	-	1,200	1,200
Police - Fingerprinting Fee	700	(470)	230	525
Total	2,183,000	(84,431)	2,098,569	2,171,038
Investment Earnings:				
Investment Earnings	150,200	(102,988)	47,212	117,491
Miscellaneous Revenue:				
Miscellaneous Revenue	7,700	11,113	18,813	6,432
Cash Discounts Earned	100	(100)	-	29
Sale of Materials	7,600	(4,532)	3,068	4,540
Insurance Proceeds and Refunds	36,800	41,507	78,307	72,318
Donations	2,500	-	2,500	1,000
Donations to Recreation	3,600	891	4,491	3,644
Donated Property	-	-	-	51,637
Hurricane Reimbursement - Michael	-	-	-	96,405
Sale of Surplus Property	1,000	3,411	4,411	892
Sale of Fixed Assets	25,000	(25,000)	-	40,685
Total	84,300	27,290	111,590	277,582
Total Revenues	16,386,200	355,299	16,741,499	15,508,112

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Expenditures:				
General Government:				
Governing Board:				
Salaries & Wages:				
Regular Salaries	45,200	80	45,120	46,050
FICA	3,500	48	3,452	3,523
Insurance & Bonds/WC	800	94	706	701
Office Supplies	1,200	1,044	156	630
Departmental Supplies	2,000	1,033	967	4,092
Commissions/Boards Appreciations	3,000	2,532	468	200
Citizens Academy	2,000	2,000	-	1,469
Youth Council	4,000	3,371	629	1,461
Miscellaneous Expense	2,400	167	2,233	2,852
Travel	15,000	14,691	309	6,782
Advertising	1,200	372	828	396
Contracted Services	-	-	-	22,010
Insurance and Bonds	3,000	(91)	3,091	2,862
Dues & Subscriptions	24,800	234	24,566	24,750
Reimbursement - Proprietary Fund	(59,500)	(22,067)	(37,433)	(66,704)
Total	48,600	3,508	45,092	51,074
Administration:				
Salaries & Wages:				
Regular Salaries	303,000	1,544	301,456	97,992
Part-Time	4,500	156	4,344	-
Total Salaries & Wages	307,500	1,700	305,800	97,992
FICA	26,800	3,637	23,163	7,402
Retirement Expense	33,200	2,872	30,328	9,099
Group Insurance	66,300	-	66,300	45,000
Life/AD&D/Disability Insurance	2,500	302	2,198	952
Insurance & Bonds/WC	800	94	706	701
Employee Incentives	300	225	75	25
401(k) Contributions	17,700	3,127	14,573	4,744
Professional Services	7,500	2,720	4,780	5,495
Uniforms/Laundry	200	86	114	45
Safety Equipment	200	117	83	-
Gas	4,000	3,296	704	1,132
Tires	500	237	263	-
Maintenance & Repair:				
Vehicles	500	12	488	553
Office Supplies	2,000	(2)	2,002	2,043
Departmental Supplies	2,000	625	1,375	246
Miscellaneous	3,500	204	3,296	1,184
Travel	5,000	4,915	85	744
Advertising	1,000	824	176	-
Contracted Services	2,000	2,000	-	-
Training	3,500	377	3,123	934
Insurance & Bonds	6,500	317	6,183	4,737
Dues & Subscriptions	4,000	408	3,592	1,580
Total	497,500	28,093	469,407	184,608

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Finance/Human Resources:				
Salaries & Wages:				
Regular Salaries	285,100	2,264	282,836	342,084
Overtime	-	-	-	-
Total Salaries & Wages	285,100	2,264	282,836	342,084
FICA	24,300	3,589	20,711	25,350
Retirement Expense	31,900	3,055	28,845	30,617
Group Insurance	54,500	-	54,500	68,100
Life/AD&D/Disability Insurance	3,100	21	3,079	3,455
Unemployment Insurance	1,000	120	880	1,851
Insurance & Bonds/WC	3,300	18	3,282	2,336
Employee Incentive	100	(56)	156	75
401(k) Contributions	17,200	3,058	14,142	17,104
Professional Services	77,100	20,055	57,045	53,314
Credit Card Charges	21,300	6,902	14,398	11,467
Bank Service Charge	5,800	1,249	4,551	14,480
HR Special Incentive	14,500	(1,201)	15,701	7,920
Office Supplies	8,200	1,709	6,491	4,464
Departmental Supplies	4,000	1,149	2,851	4,489
Wellness Program	6,000	1,500	4,500	6,067
Miscellaneous	1,000	586	414	244
Travel	-	-	-	1,489
Postage	10,700	1,771	8,929	6,625
Printing	1,500	786	714	2,177
Advertising	600	474	126	1,934
Contracted Services	58,000	130	57,870	52,252
Training	2,100	938	1,162	4,063
Equipment Rental	1,300	29	1,271	1,271
Insurance & Bonds	2,600	24	2,576	2,368
Dues & Subscriptions	1,200	7	1,193	1,215
Purchases for Inventory	5,000	3,548	1,452	2,538
Issues from Inventory	(6,700)	(4,673)	(2,027)	(2,398)
Reimbursement - Proprietary Fund	(334,700)	(13,527)	(321,173)	(366,549)
Total	300,000	33,525	266,475	300,402

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Planning:				
Salaries & Wages:				
Regular Salaries	297,800	16,695	281,105	300,753
Part-Time	9,000	950	8,050	4,777
Total Salaries & Wages	306,800	17,645	289,155	305,530
FICA	23,200	1,850	21,350	22,508
Retirement Expense	30,300	1,614	28,686	26,917
Group Insurance	68,200	-	68,200	68,100
Life/AD&D/Disability Insurance	3,000	221	2,779	2,910
Insurance & Bonds/WC	5,000	294	4,706	4,672
Employee Incentive	500	448	52	-
401(k) Contributions	14,900	845	14,055	15,038
Professional Services	400	256	144	102
Laundry/Uniforms	600	23	577	-
Safety Equipment	300	39	261	120
Gas	1,500	409	1,091	1,300
Tires	500	500	-	-
Maintenance & Repair:				
Copier	2,700	84	2,616	1,749
Building	-	(6)	6	107
Vehicles	2,000	1,242	758	500
Office Supplies	6,500	2,648	3,852	1,034
Departmental Supplies	4,000	931	3,069	1,925
Small Tools	300	279	21	-
Miscellaneous	500	185	315	380
Community Appearance Expense	1,500	493	1,007	1,204
Travel	-	-	-	949
Advertising	12,500	2,676	9,824	5,424
Professional Services/Programming	26,000	4,865	21,135	6,651
Contracted Services	108,000	11,142	96,858	82,394
Training	1,500	595	905	649
Insurance & Bonds	3,700	93	3,607	3,355
Dues & Subscriptions	3,000	38	2,962	4,287
Reimbursement-Proprietary Fund	(120,800)	(9,494)	(111,306)	(111,986)
Total	506,600	39,915	466,685	445,819

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021		2020	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Economic Development:				
Salaries & Wages:				
Regular Salaries	202,300	3,190	199,110	196,102
FICA	18,200	3,367	14,833	14,549
Retirement Expense	23,700	3,396	20,304	17,586
Group Insurance	40,900	-	40,900	40,900
Life/AD&D/Disability Insurance	2,300	55	2,245	2,183
Insurance & Bonds/WC	2,600	247	2,353	2,336
Employee Incentive	200	125	75	75
401(k) Contributions	13,000	3,044	9,956	9,825
Professional Services	1,500	264	1,236	2,212
Consultant Fees	-	-	-	2,500
Gas	1,500	659	841	1,346
Tires	400	400	-	404
Maintenance & Repair:				
Vehicles	2,200	780	1,420	1,017
Equipment	100	100	-	-
Office Supplies	2,400	368	2,032	1,509
Departmental Supplies	2,600	616	1,984	123
Pottery Festival	7,000	1,410	5,590	2,802
Riverfest - Donation	6,000	6,000	-	6,000
Miscellaneous	4,200	861	3,339	2,012
Eden Downtown Dev Corp	3,000	-	3,000	3,000
Riverfest	45,000	44,801	199	51,993
Oink & Ale Festival	13,000	585	12,415	2,500
Shaggin' on Fieldcrest	13,000	12,869	131	11,102
Touch-A-Truck	3,000	3,000	-	3,526
Grown & Gathered	12,000	4,994	7,006	8,855
Winterfest	2,000	2,000	-	2,112
Travel	1,500	841	659	1,689
Printing	-	-	-	386
Signs	800	320	480	-
RCC Project	1,800	800	1,000	12,000
Advertising	-	-	-	247
Professional Services/Programming	500	130	370	-
Training	1,500	478	1,022	2,414
Insurance & Bonds	1,400	190	1,210	1,010
Dues & Subscriptions	2,500	427	2,073	860
C/O Equipment - Nondepreciable	-	-	-	1,318
Façade Improvements	50,000	27,687	22,313	13,775
Occupancy Tax Expenditures	63,000	2,782	60,218	40,218
Reimbursement-Proprietary Fund	(75,200)	(12,877)	(62,323)	(68,792)
Total	469,900	113,909	355,991	391,694

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Engineering:				
Salaries & Wages:				
Regular Salaries	188,900	2,959	185,941	185,067
Overtime	<u>8,000</u>	<u>7,198</u>	<u>802</u>	<u>-</u>
Total Salaries & Wages	196,900	10,157	186,743	185,067
FICA	17,900	4,301	13,599	13,471
Retirement Expense	22,700	3,655	19,045	16,563
Group Insurance	40,900	-	40,900	40,900
Life/AD&D/Disability Insurance	1,900	78	1,822	1,809
Insurance & Bonds/WC	5,100	394	4,706	4,872
Employee Incentive	300	275	25	25
401(k) Contributions	12,700	3,363	9,337	9,254
Professional Services	2,200	2,164	36	488
Laundry/Uniforms	300	217	83	28
Safety Equipment	400	184	216	54
Mapping Supplies	400	308	92	734
Gas	3,500	1,318	2,182	2,162
Tires	1,000	1,000	-	529
Maintenance & Repair:				
Equipment	1,400	1,001	399	325
Vehicles	3,500	2,003	1,497	1,157
Office Supplies	800	272	528	244
Departmental Supplies	2,000	693	1,307	662
Small Tools & Equipment	200	200	-	50
Miscellaneous	300	300	-	39
Travel	100	100	-	-
Professional Services/Programming	1,600	1,600	-	-
Contracted Services	8,800	5,651	3,149	12,398
Training	400	167	233	-
Insurance & Bonds	2,600	24	2,576	2,369
Dues & Subscriptions	400	400	-	371
Easements	600	600	-	-
C/O Equipment - Depreciable	-	-	-	6,995
Reimbursement - Proprietary Fund	<u>(285,300)</u>	<u>(30,830)</u>	<u>(254,470)</u>	<u>(270,436)</u>
Total	<u>43,600</u>	<u>9,595</u>	<u>34,005</u>	<u>30,130</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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Information Technology:				
Salaries & Wages:				
Regular Salaries	161,000	2,909	158,091	122,714
Temporary	-	-	-	10,510
Total Salaries & Wages	161,000	2,909	158,091	133,224
FICA	12,100	967	11,133	9,368
Retirement Expense	19,100	2,988	16,112	10,983
Group Insurance	40,900	-	40,900	27,300
Life/AD&D/Disability Insurance	1,800	73	1,727	1,172
Insurance & Bonds/WC	600	130	470	467
Employee Incentives	300	267	33	-
401(k) Contributions	10,900	2,996	7,904	6,135
Professional Services	100	64	36	67
Uniforms/Laundry	400	362	38	-
Gas	200	200	-	-
Tires	500	500	-	-
Maintenance & Repair:				
Equipment	1,500	1,128	372	647
Vehicles	500	429	71	89
Office Supplies	1,000	276	724	240
Departmental Supplies	13,000	2,440	10,560	6,842
Other Department Supplies	26,000	1,317	24,683	21,617
Miscellaneous	200	151	49	5
Travel	2,000	438	1,562	1,202
Telephone	64,000	9,256	54,744	69,384
Data Transmission/WAN	54,000	7,440	46,560	46,275
Professional Services/Programming	19,000	573	18,427	16,948
Contracted Services	83,200	4,734	78,466	73,768
Training	4,000	90	3,910	391
Insurance & Bonds	800	79	721	592
Dues/Subscriptions	-	-	-	40
Software License Fees	26,900	7,579	19,321	23,612
C/O Equipment - Depreciable	138,900	17,840	121,060	-
C/O Equipment - Nondepreciable	63,600	9,916	53,684	31,829
Reimbursement - Proprietary Fund	(236,800)	(1,201)	(235,599)	(167,880)
Total	509,700	73,941	435,759	314,317
Total General Government	2,375,900	302,486	2,073,414	1,718,044

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021		2020	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Public Safety:				
Police Department:				
Salaries & Wages:				
Regular Salaries	2,245,200	264,904	1,980,296	2,289,709
Regular Salaries - CARES Act	219,450	5	219,445	
Overtime	33,000	9,524	23,476	17,694
Uniforms	6,500	-	6,500	6,750
Police Security	55,000	182	54,818	77,715
Specialist Pay	46,400	24,292	22,108	21,854
Part-Time & Temporary	48,000	13,196	34,804	31,811
Police Pension	192,700	2,323	190,377	164,774
Total Salaries & Wages	2,846,250	314,426	2,531,824	2,610,307
State Retirement Expense	247,300	36,081	211,219	218,159
State Retirement Expense - CARES Act	23,920	-	23,920	
FICA	201,500	38,866	162,634	184,669
FICA - CARES Act	16,790	3	16,787	
Retirement Expense	14,800	727	14,073	13,548
Group Insurance	802,100	89,456	712,644	858,100
Group Insurance - CARES Act	66,530	2	66,528	
Life/AD&D/Disability Insurance	26,700	560	26,140	26,030
Life/AD&D/Disability Insurance - CARES Act	310	1	309	
Insurance & Bonds/WC	65,100	12,104	52,996	64,735
Insurance & Bonds/WC - CARES Act	10,320	(28)	10,348	
Employee Incentive	5,400	4,358	1,042	2,209
401(k) Contributions	119,700	15,359	104,341	120,457
401(k) Contributions - CARES Act	10,980	8	10,972	
Professional Services	9,500	1,293	8,207	10,531
OSHA Hepatitis B	500	500	-	-
Informants Fees	14,000	310	13,690	14,910
Laundry & Dry Cleaning	1,000	913	87	133
Safety Equipment	54,500	12,835	41,665	61,738
Gas	95,800	3,060	92,740	92,099
Tires	15,000	2,860	12,140	24,336
Maintenance & Repair:				
Equipment	5,000	951	4,049	1,679
Vehicles	64,500	(2,337)	66,837	63,234
Radios	11,500	9,224	2,276	5,395
Other Supplies - Vehicles	200	200	-	122
Office Supplies	4,700	639	4,061	4,114
Departmental Supplies	51,400	1,754	49,646	25,727
Firing Range Supplies	500	85	415	323
K-9	10,000	1,358	8,642	18,066
Humane Officer Supplies	36,500	6,662	29,838	24,898
DARE Program Supplies	8,500	4,823	3,677	7,502
Small Tools	200	200	-	-
Miscellaneous	10,000	5,836	4,164	3,554
Travel	3,500	2,196	1,304	14,418
Tow Charges	9,000	2,725	6,275	6,470
Printing	1,000	1,000	-	892
Advertising	200	128	72	-
Professional Services/Programming	200	100	100	200
Contracted Services	70,500	2,782	67,718	60,971
Contracted Serv - Project Safe Rock. Co.	24,400	4,521	19,879	24,306
Training	6,100	1,116	4,984	4,090
Insurance & Bonds	45,500	933	44,567	39,815
Dues & Subscriptions	3,200	1,907	1,293	2,254

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, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021		2020	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Public Safety: (Continued)				
Police Department : (Continued)				
Capital Outlay:				
Vehicles - Depreciable	395,000	13,409	381,591	84,043
Equipment - Depreciable	47,800	42,001	5,799	54,175
Equipment - NonDepreciable	8,600	(22,605)	31,205	26,585
Equip - Drug Forf - Non-Depreciable	3,000	-	3,000	9,280
Total Police Department	5,469,000	613,302	4,855,698	4,784,074
Fire Department:				
Salaries & Wages:				
Regular Salaries	746,400	7,242	739,158	799,131
Specialist Pay	4,800	3,040	1,760	2,232
Part-Time	116,500	7,147	109,353	102,766
Volunteers	2,800	1,239	1,561	1,863
Total Salaries & Wages	870,500	18,668	851,832	905,992
Firemen & Rescue Squad Workers				
Pension Fund	16,000	1,954	14,046	18,496
FICA	67,700	5,296	62,404	65,937
Retirement Expense	77,000	1,472	75,528	71,683
Group Insurance	253,200	-	253,200	258,800
Life/AD&D/Disability Insurance	25,500	1,246	24,254	8,158
Insurance & Bonds/WC	57,600	2,175	55,425	55,196
Employee Incentives	1,700	1,425	275	325
401 (k) Contributions	38,000	974	37,026	40,047
Professional Services	10,000	1,968	8,032	6,824
Uniforms	8,400	1,528	6,872	5,546
Safety Equipment	3,000	2,529	471	-
Gas	12,000	1,330	10,670	10,879
Tires	7,500	4,075	3,425	1,495
Maintenance & Repair:				
Radios	1,800	1,438	362	1,512
Building	10,000	2,400	7,600	10,053
Equipment	9,000	1,306	7,694	8,913
Vehicles	30,000	2,220	27,780	36,534
Office Supplies	1,800	168	1,632	1,334
Departmental Supplies	11,000	5,942	5,058	11,704
Fire Prevention Program	2,500	2,500	-	2,838
Miscellaneous	5,000	393	4,607	553
Travel	1,000	1,000	-	-
Utilities - Gas	9,500	1,194	8,306	5,860
- Power	17,000	10	16,990	16,690
Printing	300	300	-	-
Advertising	2,500	70	2,430	-
Contracted Services	12,000	5,720	6,280	10,527
Training	1,200	1,200	-	1,186
Insurance & Bonds	23,900	199	23,701	21,711
Dues & Subscriptions	6,500	1,211	5,289	5,943
Capital Outlay:				
Vehicles	1,354,000	-	1,354,000	-
Equipment Depreciable	-	-	-	17,971
Equipment Non-Depreciable	3,300	(20,648)	23,948	13,543
Total Fire Department	2,950,400	51,263	2,899,137	1,616,250
Total Public Safety	8,419,400	664,565	7,754,835	6,400,324

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Transportation:				
Street Department:				
Regular Salaries	633,800	13,942	619,858	630,886
Overtime	11,000	5,569	5,431	9,705
Temporary Salaries	26,900	5,653	21,247	27,563
Total Salaries & Wages	671,700	25,164	646,536	668,154
FICA	53,200	5,769	47,431	48,616
Retirement Expense	66,500	2,705	63,795	57,332
Group Insurance	204,300	-	204,300	204,300
Life/AD&D/Disability Insurance	7,100	967	6,133	6,836
Insurance & Bonds/WC	22,000	824	21,176	22,026
Employee Incentives	1,500	1,299	201	207
401 (k) Contributions	32,800	1,578	31,222	32,029
Professional Services	4,000	520	3,480	3,003
Laundry & Dry Cleaning	4,000	2,398	1,602	3,722
Safety Equipment	8,000	3,066	4,934	6,625
Landscaping Supplies	7,500	(350)	7,850	5,616
Gas	48,000	11,979	36,021	46,291
Tires	10,000	5,028	4,972	11,296
Maintenance & Repair:				
Building	2,700	1,094	1,606	20,293
Equipment	2,500	367	2,133	2,544
Vehicles	85,500	10,768	74,732	53,177
Driveway Pipe	9,000	242	8,758	4,593
Patching	64,000	14,702	49,298	51,415
Sidewalks	15,000	6,036	8,964	6,257
Signs	15,000	942	14,058	6,478
Storm Drains	21,000	(87)	21,087	14,667
Curb and Gutter	4,500	1,403	3,097	5,132
Office Supplies	1,000	282	718	610
Departmental Supplies	2,500	2,154	346	1,994
Small Tools & Equipment	4,000	565	3,435	5,027
Miscellaneous	12,500	(213)	12,713	10,829
Travel	1,600	1,600	-	2,236
Utilities - Gas	2,700	2,044	656	502
- Power	13,000	2,841	10,159	9,469
Street Lights	246,300	(9,099)	255,399	260,969
Advertising	2,700	(367)	3,067	1,308
Contracted Services	18,800	663	18,137	7,889
Training	1,000	1,000	-	2,080
Equipment Rental	6,500	583	5,917	234
Insurance Deductibles - Damages	-	-	-	127
Insurance & Bonds	21,800	95	21,705	21,225
Dues & Subscriptions	-	-	-	237
Easements	5,000	3,425	1,575	4,975
C/O Improvements Stadium Dr Sidewalk	394,400	367,177	27,223	35,281
C/O Improvements	38,500	38,500	-	98,800
C/O Off Road - Depreciable	-	-	-	112,439
C/O Vehicles	169,500	169,500	-	30,518
C/O Equipment - Depreciable	219,300	20,013	199,287	117,461
C/O Equipment - Non-Depreciable	5,500	5,500	-	7,296
Purchases for Inventory - Snow Removal	8,000	3,199	4,801	-
Reimbursement - Proprietary Fund	(340,700)	(57,908)	(282,792)	(311,435)
Total	2,193,700	647,968	1,545,732	1,700,680
Street Department				
Powell Bill - Contracted Services	430,700	-	430,700	433,109
Street Resurfacing - Contracted Services	274,800	6,147	268,653	-
Total Transportation	2,899,200	654,115	2,245,085	2,133,789

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
City Garage:				
Salaries & Wages:				
Regular Salaries	248,900	11,575	237,325	253,644
Overtime	1,000	1,000	-	226
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Total Salaries & Wages	249,900	12,575	237,325	253,870
FICA	19,300	2,340	16,960	17,821
Retirement Expense	25,600	1,346	24,254	22,721
Group Insurance	91,800	-	91,800	95,400
Life/AD&D/Disability Insurance	3,000	227	2,773	2,998
Insurance & Bonds/WC	5,700	1	5,699	4,672
Employee Incentives	800	89	711	1,861
401 (k) Contributions	12,600	734	11,866	12,694
Professional Services	300	(14)	314	361
Shop Supplies	1,000	1,000	-	224
Uniforms/Laundry	2,300	1,169	1,131	342
Safety Equipment	3,300	368	2,932	3,720
Gas	3,000	1,604	1,396	1,449
Tires	800	800	-	1,322
Maintenance & Repair:				
Building	3,000	(64)	3,064	13,195
Body - Building	800	800	-	-
Equipment	6,500	1,848	4,652	5,865
Vehicles	1,000	445	555	1,709
Office Supplies	800	510	290	601
Departmental Supplies	500	279	221	532
Vending Supplies - PW	5,500	350	5,150	2,085
Small Tools	1,500	666	834	934
Miscellaneous	1,000	24	976	782
Travel	900	900	-	1,654
Utilities:				
Electric	4,000	831	3,169	2,776
Body Utilities	2,500	1,007	1,493	2,595
Gas	2,000	274	1,726	1,476
Printing	200	65	135	-
Hazardous Disposal	1,000	422	578	522
Advertising	950	20	930	260
Contracted Services	8,000	1,637	6,363	8,419
Training	800	263	537	706
Insurance & Bonds	4,250	(82)	4,332	3,947
Dues & Subscriptions	-	-	-	237
C/O Equipment - Nondepreciable	4,300	50	4,250	-
Inventory Purchases - Fuel	400,000	159,326	240,674	245,976
Issues Fuel Inventory	(400,000)	(127,604)	(272,396)	(290,304)
Inventory Purchases - Tires	75,000	26,517	48,483	39,952
Issues Tire Inventory	(75,000)	(27,205)	(47,795)	(60,717)
Inventory Purchases - Parts	300,000	97,069	202,931	243,815
Issues Parts Inventory	(300,000)	(86,810)	(213,190)	(210,488)
Reimbursement - Proprietary Fund	(115,900)	(18,251)	(97,649)	(110,144)
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Total	353,000	55,526	297,474	325,840

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021		2020	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Facilities & Grounds:				
Facilities & Grounds:				
Regular Salaries	320,100	1,789	318,311	320,169
Overtime	3,300	3,286	14	1,313
Temporary/Part-Time	44,500	18,039	26,461	24,157
Total Salaries & Wages	367,900	23,114	344,786	345,639
FICA	29,000	3,895	25,105	25,036
Retirement Expense	32,900	381	32,519	28,754
Group Insurance	122,600	-	122,600	122,600
Life/AD&D/Disability Insurance	3,900	102	3,798	3,569
Insurance & Bonds/WC	6,200	92	6,108	6,439
Employee Incentives	900	280	620	424
401 (k) Contributions	16,200	284	15,916	16,063
Professional Services	700	198	502	1,061
Laundry & Dry Cleaning	3,400	437	2,963	3,004
Safety Equipment	2,000	824	1,176	1,191
Landscaping Supplies	25,000	400	24,600	26,012
Gas	17,000	316	16,684	15,453
Tires	5,000	4,165	835	2,131
Maintenance & Repair:				
Vehicles	15,000	5,907	9,093	4,890
Equipment	8,500	1,277	7,223	6,313
Buildings	136,000	7,636	128,364	95,697
Parking Lots	7,500	7,500	-	-
Greenways	103,000	82,809	20,191	-
Office Supplies	600	360	240	411
Departmental Supplies	19,500	70	19,430	22,898
Vending Supplies	7,000	4,978	2,022	5,348
Small Tools & Equipment	2,500	743	1,757	2,333
Miscellaneous	1,000	892	108	1,124
Travel	500	295	205	-
Utilities - Gas	16,000	1,753	14,247	13,483
- Electric	56,000	15,238	40,762	54,556
Advertising	600	(10)	610	-
Contracted Services	107,000	12,244	94,756	96,082
Training	1,000	262	738	-
Insurance & Bonds	7,600	284	7,316	7,017
Dues/ Subscriptions	200	48	152	160
C/O Building Improvement	-	-	-	232,569
C/O Vehicles	-	-	-	30,518
C/O Equipment - Depreciable	15,000	4,047	10,953	-
C/O Equipment - Nondepreciable	-	(2,194)	2,194	8,673
Reimbursement - Proprietary Fund	(454,600)	(29,711)	(424,889)	(486,217)
Total	682,600	148,916	533,684	693,231

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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Environmental Protection:				
Solid Waste:				
Regular Salaries	372,800	15,002	357,798	367,311
Overtime	13,000	5,767	7,233	7,719
Temporary/Part-Time	26,200	242	25,958	26,049
Total Salaries & Wages	412,000	21,011	390,989	401,079
FICA	31,100	2,606	28,494	29,244
Retirement Expense	39,200	1,884	37,316	33,565
Group Insurance	143,000	-	143,000	163,500
Life/AD&D/Disability Insurance	5,000	254	4,746	4,726
Insurance & Bonds/WC	17,100	630	16,470	18,474
Employee Incentives	1,000	831	169	257
401 (k) Contributions	19,300	1,048	18,252	18,752
Professional Services	1,200	(265)	1,465	2,489
Laundry & Dry Cleaning	3,800	2,168	1,632	1,883
Safety Equipment	4,500	905	3,595	4,455
Refuse Collection Supplies	9,000	1,312	7,688	8,807
Recycle Grant Expense	21,600	75	21,525	
Gas	70,000	7,120	62,880	68,411
Tires	21,000	204	20,796	22,754
Maintenance & Repair:				
Vehicles	85,000	12,767	72,233	89,949
Equipment	4,000	612	3,388	2,003
Building	7,500	4,394	3,106	22,271
Office Supplies	500	413	87	869
Departmental Supplies	800	297	503	1,784
Small Tools & Equipment	600	397	203	1,185
Miscellaneous	5,000	1,917	3,083	5,812
Travel	2,100	2,100	-	576
Utilities:				
Gas	700	44	656	479
Power	7,500	2,011	5,489	5,843
Printing	800	800	-	913
Advertising	5,000	(589)	5,589	4,464
Contracted Services	352,700	(15,978)	368,678	371,098
Training	2,100	1,640	460	130
Equipment Rental	2,000	2,000	-	300
Containers - Commercial	465,900	6,273	459,627	441,808
Insurance & Bonds	24,300	775	23,525	20,320
Dues/ Subscriptions	2,400	254	2,146	1,919
Capital Outlay:				
Vehicles	208,500	208,500	-	300,221
Equipment - Depreciable	-	-	-	59,223
Total	<u>1,976,200</u>	<u>268,410</u>	<u>1,707,790</u>	<u>2,109,563</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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021		2020	
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Cultural and Recreational:				
Recreation Department:				
Salaries - Regular	391,800	46,998	344,802	393,187
Overtime	800	452	348	253
Part-Time	10,400	948	9,452	8,975
Temporary	<u>116,300</u>	<u>64,132</u>	<u>52,168</u>	<u>55,525</u>
Total Salaries & Wages	519,300	112,530	406,770	457,940
FICA	39,800	9,860	29,940	33,686
Retirement Expense	39,900	4,683	35,217	35,190
Group Insurance	109,000	-	109,000	122,600
Life/AD&D/Disability Insurance	3,900	624	3,276	3,871
Insurance & Bonds/WC	6,100	218	5,882	6,596
Employee Incentives	800	700	100	150
401 (k) Contributions	19,700	2,443	17,257	19,659
Professional Services - Medical	2,000	445	1,555	220
Professional Services	-	(168)	168	3,168
Laundry & Dry Cleaning	800	336	464	-
Safety Equipment	1,000	1,000	-	1,957
Gas	4,000	2,521	1,479	2,215
Tires	1,000	1,000	-	783
Maintenance & Repair:				
Building	9,000	3,091	5,909	8,573
Pool	10,000	9,780	220	-
Equipment	5,000	5,000	-	88
Vehicles	2,000	779	1,221	639
Office Supplies	3,500	843	2,657	1,731
Departmental Supplies	2,000	1,099	901	826
Pool Supplies	7,500	806	6,694	5,889
Dixie Youth Tournament	-	-	-	16,200
Program Activities	21,500	17,049	4,451	18,848
Senior Citizens	44,300	5,604	38,696	15,509
Small Tools & Equipment	200	200	-	-
Miscellaneous	700	310	390	2,102
Travel	1,000	1,000	-	343
Utilities:				
Gas	14,000	2,324	11,676	8,940
Power	60,000	7,702	52,298	55,381
Pool	3,200	110	3,090	4,059
Dumpster	5,600	841	4,759	4,799
Printing	800	800	-	-
Advertising	3,000	31	2,969	2,626
Contracted Services	1,500	639	861	660
Training	500	500	-	101
Rents	3,000	75	2,925	1,950
Insurance & Bonds	9,800	156	9,644	9,619
Dues & Subscriptions	1,100	148	952	1,698
Fourth of July Celebration	5,000	5,000	-	5,000
C/O Equipment - Nondepreciable	2,000	(774)	2,774	-
Purchases for Inventory:				
Splash Pad	6,000	624	5,376	3,594
Bridge Street	1,500	972	528	360
Draper Center	3,000	2,443	557	1,317
Mill Avenue Pool	6,000	1,137	4,863	587
Freedom Park	<u>16,000</u>	<u>13,140</u>	<u>2,860</u>	<u>2,145</u>
Total Operating Expenses	<u>996,000</u>	<u>217,621</u>	<u>778,379</u>	<u>861,619</u>
Capital Outlay:				
Land Improvements	100,000	85,000	15,000	34,105
Building Improvements	-	-	-	5,000
Vehicles	-	-	-	54,132
Land	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,637</u>
Capital Outlay	<u>100,000</u>	<u>85,000</u>	<u>15,000</u>	<u>144,874</u>
Total Cultural & Recreation	<u>1,096,000</u>	<u>302,621</u>	<u>793,379</u>	<u>1,006,493</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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	<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	20,000	-	20,000	15,000
Contributions - Undesignated	5,000	5,000	-	4,250
Contributions to Rescue Squad	12,000	-	12,000	12,000
Contributions to Board of Elections	-	-	-	13,435
Contributions to RCATS Transport	14,400	14,400	-	79,421
Matrimony Creek Nature Trail	-	-	-	26,015
Klyce Str/Draper Landing River Access	-	-	-	15,937
Freedom Park Nature/Educ Trail	-	-	-	6,747
Eden Otter Habitat	-	-	-	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 Strategic Plan	8,000	7,226	774	18,098
Strategic Plan - C/O	175,000	161,697	13,303	147,305
Grogan Park	-	-	-	21,295
Building Reuse Grant - Gildan	9,780	556	9,224	2,194
Performance/Incentive Agreements	500,000	-	500,000	-
	<u>68,700</u>	<u>47,614</u>	<u>21,086</u>	<u>120,052</u>
Total Special Appropriations	<u>822,080</u>	<u>236,493</u>	<u>585,587</u>	<u>500,403</u>
Debt Service				
Principal Retirement - Info Technology	48,100	23,355	24,745	23,980
Interest	8,500	5,188	3,312	4,077
Principal Retirement - Street	139,800	60,537	79,263	118,584
Interest	23,000	13,347	9,653	7,570
Principal Retirement - Powell Bill	64,200	32	64,168	62,523
Interest	25,800	32	25,768	27,412
Principal Retirement - Police	179,200	99,829	79,371	156,864
Interest	21,000	15,230	5,770	6,580
Principal Retirement - Fire	160,100	351	159,749	40,906
Interest	20,900	28	20,872	13,925
Principal Retirement - Facilities & Grnds	108,700	223	108,477	64,992
Interest	9,900	72	9,828	5,480
Principal Retirement - Solid Waste	216,100	57	216,043	177,987
Interest	18,300	2,574	15,726	12,247
Principal Retirement - Recreation	10,400	27	10,373	-
Interest	1,200	42	1,158	-
Principal Retirement - 2008 Loan	171,300	134	171,166	266,846
Interest	27,700	76	27,624	52,554
	<u>1,254,200</u>	<u>221,134</u>	<u>1,033,066</u>	<u>1,042,527</u>
Non Departmental				
Salary Adjustments	40,000	40,000	-	-
Contingency	-	-	-	-
Bad Debt Expense	-	49,419	(49,419)	92,438
	<u>40,000</u>	<u>89,419</u>	<u>(49,419)</u>	<u>92,438</u>
Total Expenditures	<u>19,918,580</u>	<u>2,943,685</u>	<u>16,974,895</u>	<u>16,022,652</u>
Revenues Over (Under) Expenditures	<u>(3,532,380)</u>	<u>3,298,984</u>	<u>(233,396)</u>	<u>(514,540)</u>
Other Financing Sources (Uses):				
Operating Transfers from Other Funds: Fire Training Facility Capital Project	-	40,702	40,702	-
Total	-	<u>40,702</u>	<u>40,702</u>	-
Proceeds from Installment Purchases	<u>2,417,400</u>	<u>(474,508)</u>	<u>1,942,892</u>	<u>976,655</u>
Fund Balance Appropriated	<u>1,114,980</u>	<u>(1,114,980)</u>	-	-
Total Other Financing Sources (Uses)	<u>3,532,380</u>	<u>(1,548,786)</u>	<u>1,983,594</u>	<u>976,655</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, 2021
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021		2020
	Budget	Variance Favorable (Unfavorable)	Actual
	<u>Budget</u>	<u>(Unfavorable)</u>	<u>Actual</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	1,750,198	1,750,198
			462,115
Fund Balances:			
Beginning of Year, July 1			10,651,957
			10,189,842
End of Year, June 30			12,402,155
			10,651,957

City of Eden, North Carolina
Combining Balance Sheets
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2021
(With Comparative Total Amounts as of June 30, 2020)

Exhibit B-3

	CDBG Housing	Municipal Service District Tax	Total Non-Major Governmental Funds June 30 2021	June 30 2020
Assets				
Current Assets:				
Cash and Cash Equivalents	4,238	44,311	48,549	139,455
Accounts Receivable	2,542	-	2,542	-
Deferred Outflows		52	52	-
	<u>6,780</u>	<u>44,363</u>	<u>51,143</u>	<u>139,455</u>
Total Assets	<u><u>6,780</u></u>	<u><u>44,363</u></u>	<u><u>51,143</u></u>	<u><u>139,455</u></u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	1,487	-	1,487	14,158
Due to Other Funds	5,293	-	5,293	
	<u>6,780</u>	<u>-</u>	<u>6,780</u>	<u>14,158</u>
 Fund Balances:				
Restricted -				
Public Safety	-	-	-	89,861
Economic Development	-	44,363	44,363	35,436
	<u>-</u>	<u>44,363</u>	<u>44,363</u>	<u>125,297</u>
Total Liabilities and Fund Balances	<u><u>6,780</u></u>	<u><u>44,363</u></u>	<u><u>51,143</u></u>	<u><u>139,455</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, 2021
(With Comparative Total Amounts as of June 30, 2020)

Exhibit B-4

	Municipal Service District		Subtotal	Capital Project Fund		Total Non-Major Governmental Funds	
	CDBG Draper Housing	Tax		Fire Training Facility	June 30 2021	June 30 2020	
Revenues:							
Ad Valorem Taxes	-	10,683	10,683	-	10,683	11,035	
Restricted Public Contributions	-	-	-	-	-	4,000	
Grants	15,200	-	15,200	-	15,200	-	
Investment Earnings	-	201	201	-	201	71	
Total Revenues	15,200	10,884	26,084	-	26,084	15,106	
Expenditures:							
Public Safety	-	-	-	49,159	49,159	389,511	
Economic & Physical Development	15,200	1,957	17,157	-	17,157	7,267	
Total Expenditures	15,200	1,957	17,157	49,159	66,316	396,778	
Revenues and other Sources Over (Under) Expenditures	-	8,927	8,927	(49,159)	(40,232)	(381,672)	
Other Financing Sources (Uses):							
Loan Proceeds	-	-	-	-	-	-	
Transfer to General Fund	-	-	-	(40,702)	(40,702)	466,400	
Net change in fund balance	-	8,927	8,927	(89,861)	(80,934)	84,728	
Fund Balances:							
Beginning of Year, July 1	-	35,436	35,436	89,861	125,297	40,569	
End of Year, June 30	-	44,363	44,363	-	44,363	125,297	

City of Eden, North Carolina
 Capital Projects Fund - Fire Training Facility
 Comparative Balance Sheets
 Governmental Funds
 June 30, 2021 and 2020

Exhibit B-5

	June 30, 2021	June 30, 2020
Assets:		
Cash and Cash Equivalents	-	104,019
Accounts Receivable	-	-
	-	-
Total Assets	-	104,019
Liabilities and Fund Balance:		
Liabilities		
Accounts Payable	-	14,158
	-	14,158
Fund Balances:		
Restricted - Public Safety	-	89,861
	-	89,861
Total Liabilities and Fund Balances	-	104,019

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, 2021

Exhibit B-6

	Project Authorization	Total Inception to June 30, 2020	Year Ended June 30, 2021	Total Inception to June 30, 2021	Variance Favorable (Unfavorable)
Revenues:					
Fire Training Facility Donations	9,000	12,972	-	12,972	3,972
Total Revenues	9,000	12,972	-	12,972	3,972
Expenditures:					
Capital Outlay	475,400	389,511	49,159	438,670	36,730
Total Expenditures	475,400	389,511	49,159	438,670	36,730
Revenues Over (Under) Expenditures	(466,400)	(376,539)	(49,159)	(425,698)	40,702
Other Financing Sources/(Uses):					
Loan Proceeds	466,400	466,400	-	466,400	-
Transfer to General Fund	-	-	(40,702)	(40,702)	(40,702)
	466,400	466,400	(40,702)	425,698	(40,702)
Net Change in fund balance	-	89,861	(89,861)	-	-
Fund Balance					
Beginning of Year, July 1			89,861		
End of Year, June 30			-		

City of Eden, North Carolina
Municipal Service District Tax
Comparative Balance Sheets
As of June 30, 2021 and 2020

Exhibit C-1

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Assets:		
Cash and Investments	44,311	35,436
Deferred Outflows	<u>52</u>	<u>-</u>
Total Assets	<u><u>44,363</u></u>	<u><u>35,436</u></u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable and Retainage Payable	<u>-</u>	<u>-</u>
Fund Balance:		
Restricted for Municipal Services	<u>44,363</u>	<u>35,436</u>
Total Liabilities and Fund Equity	<u><u>44,363</u></u>	<u><u>35,436</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, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit C-2

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Revenues:				
Ad Valorem Taxes:				
Current Year - Leaksville	7,800	654	8,454	8,571
Current Year - Draper	1,900	(96)	1,804	2,022
Prior Year - Leaksville	-	251	251	184
Prior Year - Draper	-	89	89	130
Interest Income from Tax Collections:				
Current Year - Leaksville	-	21	21	55
Current Year - Draper	-	23	23	22
Prior Year - Leaksville	-	32	32	17
Prior Year - Draper	-	9	9	34
Interest Income	<u>100</u>	<u>101</u>	<u>201</u>	<u>71</u>
Total Revenues	<u>9,800</u>	<u>1,084</u>	<u>10,884</u>	<u>11,106</u>
Expenditures:				
Economic & Physical Development:				
Leaksville	7,800	5,843	1,957	2,462
Draper	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>4,805</u>
Total Expenditures	<u>9,800</u>	<u>7,843</u>	<u>1,957</u>	<u>7,267</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>8,927</u>	8,927	3,839
Fund Balance				
Beginning of Year, July 1			<u>35,436</u>	<u>31,597</u>
End of Year, June 30			<u>44,363</u>	<u>35,436</u>

City of Eden, North Carolina
 CDBG - Draper Housing
 Comparative Balance Sheets
 Governmental Funds
 June 30, 2021 and 2020

Exhibit C-3

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Assets:		
Cash and Cash Equivalents	4,238	-
Accounts Receivable	<u>2,542</u>	<u>-</u>
Total Assets	<u><u>6,780</u></u>	<u><u>-</u></u>
Liabilities and Fund Balance:		
Liabilities		
Accounts Payable	1,487	-
Due to Other Funds	<u>5,293</u>	<u>-</u>
	<u><u>6,780</u></u>	<u><u>-</u></u>
Fund Balances:		
Restricted - Economic Development	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u><u>6,780</u></u>	<u><u>-</u></u>

City of Eden, North Carolina
CDBG - Draper Housing
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
From Inception and For Fiscal Year Ended June 30, 2021

Exhibit C-4

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2020</u>	<u>Year Ended June 30, 2021</u>	<u>Total Inception to June 30, 2021</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Community Development Block Grant	750,000	-	15,200	15,200	(734,800)
Total Revenues	750,000	-	15,200	15,200	(734,800)
Expenditures:					
Community Development Block Grant	750,000	-	15,200	15,200	734,800
Total Expenditures	750,000	-	15,200	15,200	734,800
Revenues Over (Under) Expenditures	-	-	-	-	-

City of Eden, North Carolina
Water and Sewer Fund
Comparative Balance Sheets
As of June 30, 2021 and 2020

Exhibit D-1

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Assets:		
Current Assets:		
Cash and Investments	3,837,856	5,284,734
Cash - Restricted Deposits	365,420	348,610
Accounts Receivable (net of estimated uncollectible accounts in the amount of \$799,744 and \$712,251 respectively)	465,437	495,507
Other Receivables	3,620,288	1,568,073
Inventory	300,528	289,047
Unbilled Water Receivables	1,100,225	1,135,813
Prepaid Expenses	4,564	3,245
Total Current Assets	9,694,318	9,125,029
Non Current Assets:		
Capital Assets Net of Accumulated Depreciation	72,081,715	65,919,477
Total Assets	81,776,033	75,044,506
Deferred Outflows of Resources - Contribution to Pension Plan	533,424	464,549
Deferred Outflows of Resources - OPEB	503,298	178,997
Total Deferred Outflows of Resources	1,036,722	643,546
Total Assets and Deferred Outflows of Resources	82,812,755	75,688,052
Liabilities and Net Position:		
Current Liabilities:		
Accounts Payable and Retainage Payable	1,694,968	1,162,331
Due to grantor's agency	230,397	403,373
Bonds and Installment Purchases Payable - Current Maturities	2,005,274	1,964,803
Due to Other Funds	11,407	11,447
Customer Deposits	365,420	348,610
Total Current Liabilities	4,307,466	3,890,564
Other Liabilities:		
Accrued Vacation Pay	153,550	156,933
Total OPEB Liability	1,832,950	1,562,845
Net Pension Liability	967,741	769,858
Bonds and Installment Purchases Payable - Long-Term Portion	14,925,006	13,259,347
Total Other Liabilities	17,879,247	15,748,983
Total Liabilities	22,186,713	19,639,547
Deferred Inflows of Resources:		
Other Deferred Inflows of Resources	-	14,679
OPEB Deferrals	83,355	106,768
Pension Deferrals	10	16
Total Deferred Inflows of Resources	83,365	121,463
Net Position in Water & Sewer Fund	60,542,677	55,927,042
Total Liabilities, Deferred Inflows of Resources, and Net Position	82,812,755	75,688,052

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues, Expenses, and Changes in Net Position
For Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit D-2

	2021	2020
Operating Revenue:		
Water Sales	4,544,972	4,569,825
Sewer Charges	5,114,339	5,999,719
Water Tap Fees	8,158	21,398
Reconnection Fees	232,407	199,402
Sewer Tap Fees	5,832	2,458
Pretreatment Sewer Charges	59,100	42,150
Other Operating Income	53,262	54,518
Application Fees	18,355	18,315
	10,036,425	10,907,785
Less: Discounts and Leak Adjustments	(84,210)	(92,199)
Total Operating Revenue	9,952,215	10,815,586
Operating Expenses		
W/S Administration	380,534	484,900
Billing and Collections	461,708	485,305
Water Filtration	1,146,924	1,235,683
Maintenance	1,759,689	1,779,910
Waste Treatment	1,188,373	1,196,025
Water and Sewer Resources	565,357	568,889
Depreciation Expense	2,484,248	2,448,515
Pension Expense	129,002	156,289
Non-Departmental	1,827,634	1,960,144
OPEB Expense	(77,609)	152,716
Bad Debt Expense	87,494	29,658
Sewer Construction Maintenance	19,830	15,311
	9,973,184	10,513,345
Total Operating Expenses	9,973,184	10,513,345
Net Operating Income (Loss)	(20,969)	302,241
Non-Operating Income:		
Interest Income:		
Water and Sewer Operating Fund	29,476	76,541
Cash Discounts Earned	-	51
Class Action - Liquid Sulfate	140,529	-
Sale of Fixed Assets	10,574	79,703
Miscellaneous	10,876	-
Insurance Proceeds	8,303	8,455
	199,758	164,750
Non-Operating Deductions:		
Interest Expense	143,787	189,630
Capital Contributions:		
Duke Energy Reimbursement	14,680	29,359
SAP Grant - Sewer Line Smith River RR	310,000	-
NC Connect Bond Grant	3,228,444	1,247,033
EDA Grant	147,497	1,827,058
Drinking Water Reserve Grant	169,388	550,798
Special Appropriation Grant	710,624	-
Special Legislative Grant	-	39,235
Hurricane Reimbursement	-	51,340
	4,580,633	3,744,823
Change in Net Position	4,615,635	4,022,184
Total Net Position in Water and Sewer, Beginning of Year	55,927,042	51,904,858
Net Position in Water and Sewer, End of Year	60,542,677	55,927,042

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Cash Flows
For Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit D-3

	2021	2020
Cash Flows from Operating Activities:		
Cash Received from Customers	7,950,979	11,635,722
Cash Paid for Goods and Services	(4,884,541)	(4,418,081)
Cash Paid to Employees	(2,209,522)	(2,465,549)
Customer Deposits Received	82,590	99,630
Customer Deposits Returned	(65,780)	(85,540)
	<u>873,726</u>	<u>4,766,182</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(8,646,487)	(9,018,564)
Principal Paid on Bond and Installment Purchases	(1,964,804)	(1,881,118)
Interest Paid on Bond and Installment Purchases	(143,787)	(189,630)
Miscellaneous	10,878	51
Insurance Proceeds	8,303	8,455
Proceeds from Sale of Capital Assets	10,574	79,703
Proceeds from Special Legislative Grant - Cov Branch	-	39,235
Proceeds from NC Connect Bond Grant	3,228,444	1,247,033
Proceeds from EDA Grant	169,388	1,827,058
Proceeds from Drinking Water Reserve Grant	147,497	550,798
Proceeds from General Assembly Appropriation	710,624	
Proceeds from Class Action - Liquid Sulfate	140,529	-
Proceeds from Duke Energy Reimbursement	14,680	29,359
Proceeds from SAP Grant - Sewer Line Smith River RR	310,000	
Proceeds from Hurricane Reimbursement	-	51,340
Proceeds from Installment Loan	3,670,934	3,162,645
	<u>(2,333,227)</u>	<u>(4,093,635)</u>
Cash Flows from Non-Capital (Use of Funds)		
Due to/from Other Funds	(40)	(482)
	<u>(40)</u>	<u>(482)</u>
Cash Flows from Investing Activities:		
Interest on Investments	29,476	76,541
	<u>29,476</u>	<u>76,541</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,430,065)	748,606
Cash and Cash Equivalents:		
Beginning of Year, July 1	5,633,341	4,884,735
	<u>5,633,341</u>	<u>4,884,735</u>
End of Year, June 30	4,203,276	5,633,341
	<u>4,203,276</u>	<u>5,633,341</u>

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Cash Flows
For Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit D-3

	2021	2020
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	(20,969)	302,241
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,484,248	2,448,515
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	30,070	(3,186)
(Increase) Decrease in Unbilled Water Receivables and Assessments Receivable	35,588	41,615
(Increase) Decrease in Other Receivables	(2,052,215)	811,067
(Increase) Decrease in Inventories	(11,481)	(16,977)
(Increase) Decrease in Prepaid Expense	(1,318)	9,619
(Increase) Decrease in Deferred Outflows of Resources	(393,176)	(13,394)
Increase (Decrease) in Net Pension Liability	197,883	96,530
Increase (Decrease) in Accounts Payable, Retainage Payable, Accrued Liabilities	532,638	480,702
Increase (Decrease) in Due to grantor's agency	(172,976)	403,373
Increase (Decrease) in Customer Deposits	16,810	14,090
Increase (Decrease) in Accrued Vacation Pay	(3,382)	(4,522)
Increase (Decrease) in Post Employment Benefits	270,104	206,756
Increase (Decrease) in Deferred Inflows of Resources	(38,098)	(10,247)
Net Cash Provided by Operating Activities	873,726	4,766,182

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, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit D-4

	Actual	Actual Prior Year
Reconciliation from financial plan basis (modified accrual) to full accrual		
Expenditures Over Revenues and Other Financing Sources	447,478	878,997
Reconciling Items:		
Loan - EPA/AOC Sewer Project	-	-
Debt Principal	1,964,804	1,881,118
Capital Outlay	472,165	657,921
Loan Proceeds	-	(263,221)
NC Connect Bond Grant - EPA/AOC	3,228,444	1,247,033
EDA Grant - Mega Park WL	169,388	1,827,058
Drinking Water Reserve Grant	147,497	550,798
General Assembly Appropriations	710,624	-
Miscellaneous - EPA/AOC	10,876	
Depreciation	(2,484,248)	(2,448,515)
Pension Expense	(129,002)	(156,289)
Other Post Employment Benefits	77,609	(152,716)
	4,168,157	3,143,187
Total Reconciling Items		
Change in Net Assets	4,615,635	4,022,184

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

	2021			2020
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Revenues:				
Charges for Services:				
Water Sales	4,400,000	144,972	4,544,972	4,569,825
Sewer Charges	4,771,500	342,839	5,114,339	5,999,719
Water Tap Fees	7,600	558	8,158	21,398
Reconnection Fees	243,900	(11,493)	232,407	199,402
Sewer Tap Fees	1,200	4,632	5,832	2,458
Pretreatment Sewer Charges	37,200	21,900	59,100	42,150
Water Service Application Fees	20,000	(1,645)	18,355	18,315
Total Charges for Services	9,481,400	501,763	9,983,163	10,853,267
Other Operating Revenues:				
Sale of Materials	2,700	(2,700)	-	400
Miscellaneous Revenue	2,000	155	2,155	2,341
Miscellaneous Returned Check Fees	2,600	(975)	1,625	2,025
Equipment Rental	51,400	955	52,355	51,687
One-Time Pool Adjustments	(1,700)	(1,173)	(2,873)	(2,155)
Civil Penalties	-	-	-	220
Total Other Operating Revenues	57,000	(3,738)	53,262	54,518
Total Operating Revenues before Leak Adjustments	9,538,400	498,025	10,036,425	10,907,785
Less: Leak Adjustments	130,300	46,090	84,210	92,199
Total Operating Revenues	9,408,100	544,115	9,952,215	10,815,586
Non-Operating Revenues:				
Spec Legislative Grant - Cov Branch	-	-	-	39,235
NC Rural Center Grant - New Street	997,000	(997,000)	-	-
Duke Energy Reimbursement	44,000	(29,320)	14,680	29,359
SAP Grant - Sewer Line Smith River RR	310,000	-	310,000	-
Class Action - Liquid Sulfate	-	140,529	140,529	-
Hurricane Reimbursement	-	-	-	51,340
Interest Earned on Investments	100,000	(70,524)	29,476	76,541
Cash Discounts Earned	100	(100)	-	51
Sales of Capital Assets	-	10,574	10,574	79,703
Insurance Proceeds	-	8,303	8,303	8,455
Total Non-Operating Revenues	1,451,100	(937,538)	513,562	284,684
Total Revenue	10,859,200	(393,423)	10,465,777	11,100,270

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

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Expenditures:				
Water and Sewer Administration:				
Salaries & Wages:				
Regular Salaries	215,000	11,791	203,209	316,933
Overtime	-	-	-	604
Part-Time	49,000	466	48,534	11,805
Total Salaries & Wages	264,000	12,257	251,743	329,342
FICA	20,000	681	19,319	25,123
Retirement Expense	21,900	776	21,124	30,514
Group Insurance	55,900	-	55,900	64,100
Life/AD&D/Disability Insurance	2,900	72	2,828	2,544
Insurance & Bonds W/C	2,500	43	2,457	2,368
Employee Incentives	500	475	25	25
401(k) Contribution	10,800	216	10,584	15,129
Professional Services	3,000	2,356	644	24
Laundry & Dry Cleaning	500	439	61	168
Safety Equipment	500	455	45	150
Gas	3,000	2,735	265	1,412
Tires	800	622	178	-
Maintenance and Repair:				
Vehicles	1,000	844	156	169
Office Supplies	4,000	2,907	1,093	1,377
Departmental Supplies	3,000	2,200	800	1,013
Miscellaneous	1,300	1,163	137	329
Travel	8,000	7,058	942	2,626
Advertising	2,000	2,000	-	-
Contracted Services	2,000	2,000	-	-
Training	5,000	3,069	1,931	1,042
Insurance & Bonds	5,600	345	5,255	4,934
Dues & Subscriptions	6,000	953	5,047	2,511
Total	424,200	43,666	380,534	484,900

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

	2021			2020
	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Actual</u>	<u>Actual</u>
Water and Sewer Resources:				
Salaries & Wages:				
Regular Salaries	341,700	(4,105)	345,805	339,961
Overtime	5,800	811	4,989	7,589
Total Salaries & Wages	347,500	(3,294)	350,794	347,550
FICA	25,800	830	24,970	25,106
Retirement Expense	38,300	2,898	35,402	30,809
Group Insurance	105,400	-	105,400	109,000
Life/AD&D/Disability Insurance	3,400	334	3,066	2,969
Insurance & Bonds W/C	2,500	43	2,457	2,514
Employee Incentives	500	425	75	205
401(k) Contribution	20,400	3,079	17,321	17,212
Professional Services	1,200	895	305	1,756
Laundry & Dry Cleaning	2,100	1,363	737	605
Safety Equipment	2,300	160	2,140	1,959
Gas	4,000	1,541	2,459	2,369
Tires	1,500	1,500	-	971
Maintenance and Repair:				
Vehicles	2,800	1,390	1,410	2,026
Equipment	700	383	317	111
Building	2,000	1,511	489	967
Office Supplies	300	270	30	84
Departmental Supplies	3,500	880	2,620	3,017
Small Tools and Equipment	1,000	455	545	1,027
Travel	2,400	2,194	206	1,685
Utilities - Electric	7,500	3,453	4,047	4,221
Utilities - Gas	3,300	1,189	2,111	1,626
Training	2,400	1,490	910	2,532
Insurance & Bonds	7,400	84	7,316	6,908
Dues & Subscriptions	500	270	230	564
C/O Equipment - Non-Depreciable	-	-	-	1,096
Total	588,700	23,343	565,357	568,889

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

	2021			2020
	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Actual</u>	<u>Actual</u>
Billing and Collections:				
Salaries & Wages:				
Regular Salaries	149,200	955	148,245	174,352
Overtime	500	500	-	66
Part-Time	40,600	1,359	39,241	21,798
Total Salaries & Wages	190,300	2,814	187,486	196,216
FICA	17,400	3,691	13,709	15,236
Retirement Expense	18,100	3,237	14,863	16,580
Group Insurance	71,300	-	71,300	81,800
Life/AD&D/Disability Insurance	2,200	6	2,194	2,261
Unemployment Insurance	300	7	293	617
Insurance & Bonds W/C	2,500	26	2,474	2,351
Employee Incentives	-	-	-	1,651
401(k) Contributions	10,700	3,413	7,287	9,263
Professional Services	300	252	48	90
Credit Card Charges	55,500	1,284	54,216	40,917
Bank Service Charges	5,800	1,284	4,516	14,480
Uniforms/Laundry	600	296	304	172
Safety Equipment	600	350	250	756
Gas	6,100	1,689	4,411	4,507
Tires	600	16	584	549
Maintenance & Repair:				
Vehicles	2,000	1,673	327	319
Office Supplies	5,300	1,571	3,729	3,228
Departmental Supplies	1,700	211	1,489	1,323
Small Tools and Equipment	1,000	293	707	879
Miscellaneous	1,300	147	1,153	1,298
Travel	-	-	-	-
Postage	37,000	3,831	33,169	40,774
Printing	2,500	522	1,978	3,768
Dan River Water - Annexation	8,700	(3,108)	11,808	6,668
Training	10,600	10,530	70	-
Contracted Services	100	(3,428)	3,528	25,769
Equipment Rental	2,400	40	2,360	2,360
Insurance & Bonds	1,600	54	1,546	1,382
Dues and Subscriptions	200	92	108	-
C/O Equipment - Non-Depreciable	18,000	485	17,515	15,493
Warehouse Inventory	97,200	2,930	94,270	63,248
Issues from Inventory	(79,000)	(3,016)	(75,984)	(68,650)
Total	492,900	31,192	461,708	485,305

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

	2021			2020
	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Actual</u>	<u>Actual</u>
Water Filtration:				
Salaries & Wages:				
Regular Salaries	409,400	29,962	379,438	409,357
Overtime	27,200	10,652	16,548	24,955
Specialist	50	50	-	-
Total Salaries & Wages	436,650	40,664	395,986	434,312
FICA	33,900	4,898	29,002	32,099
Retirement Expense	44,900	4,231	40,669	38,709
Group Insurance	133,000	-	133,000	136,200
Life/AD&D/Disability Insurance	4,500	40	4,460	4,398
Insurance & Bonds W/C	12,200	435	11,765	11,681
Employee Incentives	-	-	-	305
401(k) Contribution	22,200	2,295	19,905	21,625
Professional Services	25,000	1,264	23,736	18,136
Laundry & Dry Cleaning	2,200	1,870	330	985
Safety Equipment	2,500	1,483	1,017	694
Gas	2,000	1,075	925	920
Tires	500	500	-	-
Maintenance & Repair:				
Building	5,000	3,266	1,734	7,460
Equipment	79,500	4	79,496	73,802
Vehicles	1,800	1,030	770	76
Office Supplies	200	167	33	386
Departmental Supplies	55,000	14,353	40,647	41,665
Chemicals	230,000	33,172	196,828	222,139
Small Tools and Equipment	200	165	35	127
Miscellaneous	50	38	12	-
Travel	50	50	-	1,969
Utilities:				
Electric	190,000	47,775	142,225	159,518
Advertising	2,150	80	2,070	-
Contracted Services	1,000	570	430	455
Employee Training	1,700	25	1,675	3,217
Insurance & Bonds	16,300	19	16,281	15,198
Dues & Subscriptions	4,100	207	3,893	4,068
C/O Equipment - Non-Depreciable	-	-	-	5,539
Total	1,306,600	159,676	1,146,924	1,235,683

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

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Maintenance:				
Salaries & Wages:				
Regular Salaries	656,100	49,539	606,561	642,097
Overtime	42,000	19,064	22,936	36,278
Specialist	1,000	680	320	600
Total Salaries & Wages	699,100	69,283	629,817	678,975
FICA	55,100	8,313	46,787	50,717
Retirement Expense	71,000	6,749	64,251	60,727
Group Insurance	204,300	-	204,300	218,000
Life/AD&D/Disability Insurance	7,800	1,671	6,129	7,553
Insurance & Bonds W/C	14,700	583	14,117	14,709
Employee Incentive	1,400	1,056	344	221
401(k) Contribution	35,000	3,562	31,438	33,926
Professional Services	6,300	226	6,074	4,166
Laundry & Dry Cleaning	3,700	2,307	1,393	2,170
Safety Equipment	12,000	1,997	10,003	9,902
Maintenance & Repair:				
Collection	126,000	3,380	122,620	110,360
Equipment	27,000	7,983	19,017	25,606
System	8,200	7,675	525	665
Building	2,200	591	1,609	14,638
Vehicles	48,000	7,948	40,052	43,784
Hydrants	16,000	7,525	8,475	660
Distribution System	60,000	8,867	51,133	42,467
Metering	18,000	7,752	10,248	4,337
Outfalls	23,000	14,438	8,562	19,940
Taps	29,000	6,751	22,249	24,626
Gas	44,000	8,042	35,958	38,690
Tires	9,000	2,159	6,841	5,111
Off-Road Tires	1,400	1,400	-	-
Office Supplies	1,000	303	697	854
Departmental Supplies	3,500	2,630	870	2,818
Chemicals	86,000	8,365	77,635	74,481
Small Tools & Equipment	10,000	578	9,422	11,797
Miscellaneous	8,000	3,199	4,801	6,447
Travel	-	-	-	4,373
Utilities	137,000	5,144	131,856	133,978
Gas	1,000	344	656	496
Printing	2,700	2,297	403	1,481
Advertising	1,000	874	126	1,239
Contracted Services	161,000	3,814	157,186	96,939
Employee Training	4,000	345	3,655	6,975
Equipment Rental	2,600	2,600	-	302
Insurance & Bonds	26,800	71	26,729	24,425
Insurance/Deductibles	-	-	-	-
Dues and Subscriptions	7,600	3,889	3,711	1,355
Total	1,974,400	214,711	1,759,689	1,779,910

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

	2021			2020
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Wastewater Treatment:				
Salaries & Wages:				
Regular Salaries	386,800	5,895	380,905	384,868
Overtime	13,500	1,469	12,031	13,060
Specialist	3,050	2,970	80	320
Total Salaries & Wages	403,350	10,334	393,016	398,248
FICA	30,400	1,423	28,977	28,628
Retirement Expense	41,300	691	40,609	35,592
Group Insurance	122,600	-	122,600	122,600
Life/AD&D/Disability Insurance	4,600	407	4,193	4,331
Insurance & Bonds/WC	14,650	32	14,618	14,017
Employee Incentives	50	-	50	323
401(k) Contributions	22,900	2,966	19,934	19,934
Professional Services	24,200	(1,120)	25,320	23,768
Laundry & Dry Cleaning	950	28	922	1,047
Safety Equipment	5,000	2,055	2,945	3,403
Gas	4,700	2,007	2,693	2,723
Tires	-	-	-	402
Maintenance & Repair:				
Building	2,700	1,235	1,465	18,944
Equipment	68,000	19,241	48,759	78,067
Vehicles	5,000	2,000	3,000	1,157
Office Supplies	250	54	196	576
Departmental Supplies	15,850	196	15,654	16,741
Chemicals	50,800	7,759	43,041	28,012
Civil Penalties	-	-	-	-
Small Tools & Equipment	100	23	77.00	-
Miscellaneous	100	61	39	-
Travel	-	-	-	2,348
Utilities	111,000	4,673	106,327	128,768
Printing	200	22	178	-
Contracted Services	302,500	19,277	283,223	220,887
Employee Training	3,400	119	3,281	2,395
Insurance & Bonds	17,400	37	17,363	16,283
Dues & Subscriptions	5,000	(1,116)	6,116	10,932
C/O Equipment - Non-Depreciable	3,800	23	3,777	15,899
Total	1,260,800	72,427	1,188,373	1,196,025

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

	2021			2020
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Water Construction:				
Water Improvements	10,000	10,000	-	-
Water Pressure Improvement Grant Prg	-	-	-	-
	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Sewer Construction:				
Professional Services	40,000	20,170	19,830	15,311
Non-Departmental:				
Utility Service Fee - General Fund	2,023,500	195,866	1,827,634	1,960,144
Future Salary Adjustments	-	-	-	-
Settlement Payment	-	-	-	-
Bad Debt Expense	45,000	(42,494)	87,494	29,658
	<u>2,068,500</u>	<u>153,372</u>	<u>1,915,128</u>	<u>1,989,802</u>
Total Operating Expenses	<u>8,166,100</u>	<u>728,557</u>	<u>7,437,543</u>	<u>7,755,825</u>
Capital Outlay:				
Water Filtration:				
Building Improvements	-	-	-	6,256
Equipment	10,300	20	10,280	23,677
Maintenance:				
Vehicles	-	-	-	263,221
Equipment	76,900	95	76,805	-
Wastewater Treatment:				
Vehicles	10,900	48	10,852	-
Equipment	-	-	-	9,500
Water Construction:				
Water Valve Replacement	10,000	10,000	-	-
Insertion Work	10,000	10,000	-	-
Primitive/Spring St WL Upgrade	-	-	-	56,192
George St WL Upgrade	-	-	-	48,722
West Ave WL Upgrade	-	-	-	27,339
Bridge St WL Upgrade	158,000	148,825	9,175	37,612
Maple Ln WL Upgrade	26,000	14,853	11,147	-
Glovenia St WL Upgrade	56,000	47,875	8,125	-
Remediation SS Related WL Repl	25,000	25,000	-	-
Cirlice Dr Phase 2 WL Repl	32,000	20,727	11,273	-
West Ave WL Upgrade	-	-	-	-
Small Booster Pump Station - Jackson	18,000	16,792	1,208	28,524
Maryland Ave WL Replacement	11,000	4,875	6,125	-
Cirlice Dr WL Replacement	32,000	21,146	10,854	-
Sewer Construction:				
Sewer Force Main - NC DOT	-	-	-	42,900
New Street Sewer Improvements	890,000	888,329	1,671	21,499
Harris Place Pump Station	-	-	-	12,077
Spray Outfall - Pipe Replacement	314,700	50	314,650	-
Force Main Stabilization	-	-	-	39,624
W/S Land Purchase	-	-	-	40,778
	<u>1,680,800</u>	<u>1,208,635</u>	<u>472,165</u>	<u>657,921</u>
Total Capital Outlay	<u>1,680,800</u>	<u>1,208,635</u>	<u>472,165</u>	<u>657,921</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

	2021			2020
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Debt Service:				
Principal Retirement - Billing & Collections	5,100	80	5,020	4,874
Interest - Billing & Collections	700	74	626	771
Principal Retirement - Maintenance	210,000	94	209,906	171,310
Interest - Maintenance	22,000	89	21,911	21,252
Principal - 2007 Loan	620,800	58	620,742	597,399
Interest - 2007 Loan	43,100	64	43,036	66,379
Principal - 2008 Loan	555,400	18	555,382	536,021
Interest - 2008 Loan	31,700	65	31,635	50,997
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	18,400	45	18,355	19,767
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	92,200	-	92,200	89,960
Interest - 2016 Loan	28,300	76	28,224	30,464
	2,109,500	909	2,108,591	2,070,748
Total Expenditures	11,956,400	1,938,101	10,018,299	10,484,494
Revenues Over (Under) Expenditures	(1,097,200)	1,544,678	447,478	615,776
Other Financing Sources (Uses)				
Fund Balance Reimb - Capital Projects	-	-	-	-
Loan - to EPA/AOC Project Fund	132,300	(132,300)	-	-
Loan Proceeds	-	-	-	263,221
	132,300	(132,300)	-	263,221
Fund Balance Appropriated	964,900	(964,900)	-	-
Total Other Financing Sources (Uses)	1,097,200	(1,097,200)	-	263,221
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	447,478	447,478	878,997

City of Eden, North Carolina
Mega Park Waterline Project Fund
Comparative Balance Sheets
As of June 30, 2021 and 2020

Exhibit D-5

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Assets:		
Cash and Cash Equivalents	437,133	436,914
Other Receivables	<u>237,265</u>	<u>71,772</u>
 Total Assets	 <u><u>674,398</u></u>	 <u><u>508,686</u></u>
 Liabilities and Fund Equities:		
Current Liabilities		
Accounts Payable	265,088	245,489
Other Liabilities	<u>230,397</u>	<u>403,373</u>
 Total Liabilities	 <u><u>495,485</u></u>	 <u><u>648,862</u></u>
 Fund Equities	 <u><u>178,912</u></u>	 <u><u>(140,176)</u></u>
 Total Liabilities and Fund Equities	 <u><u><u>674,397</u></u></u>	 <u><u><u>508,686</u></u></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, 2021

Exhibit D-6

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2020</u>	<u>Year Ended June 30, 2021</u>	<u>Total Inception to June 30, 2021</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Drinking Water Reserve Grant	1,018,225	550,798	147,497	698,295	(319,930)
EDA Grant	2,000,000	1,827,058	169,388	1,996,446	(3,554)
General Assembly Appropriation	1,000,000	-	710,624	710,624	(289,376)
Loan Proceeds - 0% Interest	3,000,000	1,652,392	442,491	2,094,883	(905,117)
Loan Proceeds	<u>54,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,675)</u>
Total Revenues	<u>7,072,900</u>	<u>4,030,248</u>	<u>1,470,000</u>	<u>5,500,248</u>	<u>(1,572,652)</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>4,605,117</u>	<u>1,150,911</u>	<u>5,756,028</u>	<u>1,316,872</u>
Total Expenditures	<u>7,138,900</u>	<u>4,670,424</u>	<u>1,150,911</u>	<u>5,821,335</u>	<u>1,317,565</u>
Revenues Over (Under) Expenditures	(66,000)	(640,176)	319,089	(321,087)	(255,087)
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>(140,176)</u>	319,089	<u>178,913</u>	<u>178,913</u>
Fund Balance					
Beginning of Year, July 1			<u>(140,176)</u>		
End of Year, June 30			<u>178,913</u>		

City of Eden, North Carolina
 EPA/AOC Sewer Project Fund
 Comparative Balance Sheets
 As of June 30, 2021 and 2020

Exhibit D-7

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets:		
Cash and Cash Equivalents	(2,363,609)	(268,691)
Other Receivables	<u>3,325,515</u>	<u>1,053,732</u>
Total Assets	<u><u>961,906</u></u>	<u><u>785,041</u></u>
Liabilities and Fund Equities:		
Current Liabilities		
Accounts Payable	1,344,347	664,243
Fund Equities	<u>(382,441)</u>	<u>120,798</u>
Total Liabilities and Fund Equities	<u><u>961,906</u></u>	<u><u>785,041</u></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, 2021

Exhibit D-8

	Project Authorization	Total Inception to June 30, 2020	Year Ended June 30, 2021	Total Inception to June 30, 2021	Variance Favorable (Unfavorable)
Revenues:					
NC Connect Bond Grant	16,666,000	2,216,319	3,228,444	5,444,763	(11,221,237)
NC Connect Bond Loan	15,000,000	2,216,318	3,228,444	5,444,762	(9,555,238)
Miscellaneous Revenue	-	-	10,876	10,876	10,876
Total Revenues	<u>31,666,000</u>	<u>4,432,637</u>	<u>6,467,764</u>	<u>10,900,401</u>	<u>(20,765,599)</u>
Expenditures:					
Temp Rainfall/Flow Monitoring	15,000	-	-	-	15,000
Professional Services	1,500,000	3,181,149	426,999	3,608,148	(2,108,148)
Post Constructin Rainfall/Flow Monitoring	35,000	-	-	-	35,000
Junction/Bridge St Pump Station Rehab	3,708,600	438,433	-	438,433	3,270,167
I/I Reductions	2,246,900	105,883	1,384,004	1,489,887	757,013
Bridge St Basin Rehab	9,355,600	45,640	1,391	47,031	9,308,569
Junction Basin Rehab	4,425,700	-	-	-	4,425,700
Kuder St Basin Rehab	4,027,200	560,359	2,432,689	2,993,048	1,034,152
Dry Creek Basin Rehab	2,507,000	143,031	1,846,583	1,989,614	517,386
Dogwood/Fourth St Pump Station Rehab	300,000	-	655,523	655,523	(355,523)
Bear Slide/Indian Hills Pump Station	150,000	-	57,321	57,321	92,679
Mebane Bridge WWTP Improvements	3,625,600	3,896,944	166,493	4,063,437	(437,837)
Contingency	1,829,000	-	-	-	1,829,000
W/S Loan Repayment	2,000,000	-	-	-	2,000,000
Total Expenditures	<u>35,725,600</u>	<u>8,371,439</u>	<u>6,971,003</u>	<u>15,342,442</u>	<u>20,383,158</u>
Revenues Over (Under) Expenditures	<u>(4,059,600)</u>	<u>(3,938,802)</u>	<u>(503,239)</u>	<u>(4,442,041)</u>	<u>(382,441)</u>
Other Financing Sources:					
Contribution for W/S Fund	2,059,600	2,059,600	-	2,059,600	-
Loan from W/S Fund	2,000,000	2,000,000	-	2,000,000	-
	<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>120,798</u>	<u>(503,239)</u>	<u>(382,441)</u>	<u>(382,441)</u>
Fund Balance					
Beginning of Year, July 1			<u>120,798</u>		
End of Year, June 30			<u>(382,441)</u>		

City of Eden, North Carolina
Metro Pump Station Project Fund
Comparative Balance Sheets
As of June 30, 2021 and 2020

Exhibit D-9

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Assets:		
Cash and Cash Equivalents	(52,408)	-
Other Receivables	<u>-</u>	<u>-</u>
 Total Assets	 <u><u>(52,408)</u></u>	 <u><u>-</u></u>
 Liabilities and Fund Equities:		
Current Liabilities		
Accounts Payable	-	-
Fund Equities	<u>(52,408)</u>	<u>-</u>
 Total Liabilities and Fund Equities	 <u><u>(52,408)</u></u>	 <u><u>-</u></u>

City of Eden, North Carolina
Capital Projects Fund - Metro Pump Station
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
From Inception and For Fiscal Year Ended June 30, 2021

Exhibit D-10

	Project Authorization	Total Inception to June 30, 2020	Year Ended June 30, 2021	Total Inception to June 30, 2021	Variance Favorable (Unfavorable)
Revenues:					
NC Dept of Commerce Rural Dev Grant	997,000	-	-	-	(997,000)
Total Revenues	997,000	-	-	-	(997,000)
Expenditures:					
Engineering/Design/Surveying	152,000	-	42,958	42,958	109,042
Construction	911,600	-	9,450	9,450	902,150
Electric Service	52,000	-	-	-	52,000
Contingency	111,500	-	-	-	111,500
Total Expenditures	1,227,100	-	52,408	52,408	1,174,692
Revenues Over (Under) Expenditures	(230,100)	-	(52,408)	(52,408)	177,692
Other Financing Sources:					
Contribution for W/S Fund	230,100	-	-	-	(230,100)
	230,100	-	-	-	(230,100)
Net Change in fund balance	-	-	(52,408)	(52,408)	(52,408)
Fund Balance					
Beginning of Year, July 1			-		
End of Year, June 30			(52,408)		

City of Eden, North Carolina
 Self Insured Insurance
 Comparative Balance Sheets
 As of June 30, 2021 and 2020

Exhibit E-1

	June 30, 2021	June 30, 2020
Assets:		
Cash and Cash Equivalents	982,857	687,194
Due from Other Agencies	46,037	30,509
 Total Assets	 1,028,894	 717,703
Liabilities and Fund Equities:		
Current Liabilities		
Claims Payable	220,043	224,177
Fund Equities	808,851	493,526
 Total Liabilities and Fund Equities	 1,028,894	 717,703

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, 2021 and 2020

Exhibit E-2

	Budget	Variance Favorable (Unfavorable)	June 30, 2021	June 30, 2020
Revenues:				
Charges for Services:				
General Fund	2,498,300	(86,876)	2,411,424	2,542,910
Water & Sewer Fund	781,000	(11,943)	769,057	803,353
Refunds	125,000	111,337	236,337	205,648
Total Revenues	3,404,300	12,518	3,416,818	3,551,911
Expenditures:				
Group Insurance Fixed Costs	692,700	(23,814)	716,514	607,430
Insurance Claims	2,831,800	443,989	2,387,811	2,729,646
Total Expenditures	3,524,500	420,175	3,104,325	3,337,076
Operating Income (Loss)	(120,200)	432,693	312,493	214,835
Non-Operating Revenue:				
Investment Earnings	1,000	1,832	2,832	958
Other Financing Sources (Uses):				
Fund Balance Appropriated	119,200	(119,200)	-	-
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	315,325	315,325	215,793
Fund Balance				
Beginning of Year, July 1			493,526	277,733
End of Year, June 30			808,851	493,526

City of Eden, North Carolina
Self Insured Insurance
Comparative Schedule of Cash Flows
For Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

Exhibit E-3

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Cash Flows from Operating Activities:		
Cash Received from Users	3,401,290	3,521,402
Cash Paid for Insurance Claims	(2,391,945)	(2,742,343)
Cash Paid for Fixed Costs	<u>(716,514)</u>	<u>(607,430)</u>
Net Cash Provided by Operating Activities	<u>292,831</u>	<u>171,629</u>
Cash Flows from Investing Activities	<u>2,832</u>	<u>958</u>
Net (Decrease) Increase in Cash and Cash Equivalents	295,663	172,587
Cash and Cash equivalents, Beginning of Year	<u>687,194</u>	<u>514,607</u>
Cash and Cash equivalents, End of Year	<u><u>982,857</u></u>	<u><u>687,194</u></u>
Reconciliation of Operating Incomes to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	<u>312,493</u>	<u>214,835</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	(15,528)	(30,509)
Increase (Decrease) in Accounts Payable	<u>(4,134)</u>	<u>(12,697)</u>
Total Adjustments	<u>(19,662)</u>	<u>(43,206)</u>
Net Cash Provided by Operating Activities	<u><u>292,831</u></u>	<u><u>171,629</u></u>

City of Eden, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 June 30, 2021

Exhibit G-1

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021		6,572,259	6,491,070	81,189
2019-2020	95,212		51,767	43,445
2018-2019	40,520		13,193	27,327
2017-2018	37,834		9,456	28,378
2016-2017	25,412		5,703	19,709
2015-2016	20,192		5,040	15,152
2014-2015	14,885		3,094	11,791
2013-2014	15,214		2,010	13,204
2012-2013	13,221		1,151	12,070
2011-2012	11,598		1,735	9,863
2010-2011	11,170		11,060	110
2009-2010	368		368	-
2008-2009	-	-	-	-
	<u>285,626</u>	<u>6,572,259</u>	<u>6,595,647</u>	262,238
Less Allowance for Uncollectible Taxes				<u>167,235</u>
Ad Valorem Taxes Receivable - Net				<u>95,003</u>
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				6,396,341
Reconciling Items:				
Rockingham County Collection Fee - Vehicle Tax				31,001
Short-Term Vehicle Tax				(2,164)
Interest Collected				(37,566)
Releases and Other Adjustments				(296)
Municipal Vehicle Tax				198,090
Municipal Service District Tax				<u>10,241</u>
				<u>6,595,647</u>

City of Eden, North Carolina
 Analysis of Current Tax Levy
 City-Wide Levy
 For Fiscal Year Ended June 30, 2021

Exhibit G-2

	City-Wide		Total Levy		
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property Taxed at Current Year's Rate	918,697,004	\$ 0.609	5,594,891	5,594,891	
Motor Vehicles Taxes Collected by DMV			857,907		857,907
	<u>918,697,004</u>		<u>6,452,798</u>	<u>5,594,891</u>	<u>857,907</u>
Discoveries:					
Current Year Taxes	2,230,131		13,582	13,582	
Prior Year Taxes			85,663	85,663	
Penalties			27,985	27,985	
	<u>2,230,131</u>		<u>127,230</u>	<u>127,230</u>	<u>-</u>
Municipal Service District Tax			10,889	10,889	
Other Adjustments	(575,954)		(18,658)	(18,658)	
			-	-	-
	<u>(575,954)</u>		<u>(18,658)</u>	<u>(18,658)</u>	<u>-</u>
Total Property Valuation	<u>920,351,181</u>				
Net Levy			6,572,259	5,714,352	857,907
Uncollected Taxes at June 30, 2020			81,189	81,189	-
Current Year's Taxes Collected			<u>6,491,070</u>	<u>5,633,163</u>	<u>857,907</u>
Current Levy Collections Percentage			<u>98.76%</u>	<u>98.58%</u>	<u>100.00%</u>

City of Eden, North Carolina
 Schedule of Transfers
 For the Fiscal Year Ended June 30, 2021

Exhibit G-3

	Transfers	
	From	To
Operating Transfers From/To Component Units		
City of Eden		
General Fund		204,972
Eden ABC Board	204,972	
Total operating transfers - component units	204,972	204,972

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, 2021, 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 19, 2021. 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.

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*.

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 19, 2021

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, 2021. 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, 2021.

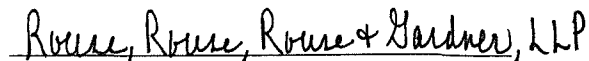
Report on Internal Control Over Compliance

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 19, 2021

City of Eden, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

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>Department of the Treasury</u>					
North Carolina Pandemic Recovery Office Pass-through Rockingham County Coronavirus Relief Fund	21.019		348,309		
<u>US Department of Commerce</u>					
Economic Development Administration Public Works Program - Berry Hill Regional Mega Park	11.300	04-01-07214	169,388		
NC Department of Commerce Community Development Block Grant Neighborhood Revitalization	14.228	B-18-DC-37-0001	15,200		
			532,897		
<u>US Department of Justice</u>					
Pass-through NC Governor's Crime Commission 2019 Byrne Justice Assistance Grants	16.738	PROJ013869	18,456		
Pass-through NC Governor's Crime Commission 2020 Byrne Justice Assistance Grants	16.738	2020-DJ-BX-0052	22,750		
			41,206		
<u>US Department of Transportation</u>					
Pass-through NC Department of Transportation Transportation Improvement Program Stadium Drive Sidewalk	20.205	TAP-1747(002)	27,223		
<u>US Department to Health and Human Services</u>					
Division of Aging and Adult Services Council Area Agency on Aging HCCBG-IN-HOME/SUPP SVC	93.044		3,365	11,635	
HCCBG-IN-HOME/SUPP SVC	93.044		7,137		
			37,725	11,635	
Total Assistance - Federal Programs			611,828	11,635	
State Grants:					
<u>NC Department of Environmental Quality</u>					
Sewer Repair at Smith River RR		E-SAP-W-0037		310,000	
Division of Water Infrastructure Drinking Water Wastewater		H-SAP-D-19-0024		710,624	
Connect NC Bond Grant - Collection System Project		E-SRP-W-17-0026	3,485,501		
Connect NC Bond Loan - Collection System Project		E-SRP-W-17-0026	3,485,502		
			-	7,991,627	
<u>NC Water Infrastructure Environment Quality</u>					
Berry Hill Regional Mega Park - Grant		H-SRP-D-17-0015	147,497		
Berry Hill Regional Mega Park - Loan		H-SRP-D-17-0015	442,491		
			-	589,988	
<u>N.C. Department of Transportation</u>					
Powell Bill		3857		430,700	
			-	430,700	
<u>N.C. Department of Commerce</u>					
NC Rural Infrastructure Authority Building Reuse Grant - Gildan Activewear		2020-011-3201-2587		500,000	
Rural Economic Development New Street Sewer Project		U-497		52,408	
Senior Center General Purpose				7,011	
			-	559,419	
Total Assistance - State Programs			-	9,571,734	
Total Assistance			611,828	9,583,369	

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, 2021. 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, 2021 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, 2021 consist of:

Program Title:

Connect NC Bond Loan - Collection System Project	\$ 5,444,760
NC Water Infrastructure Water Quality - Regional Mega Park Water Expansion	\$ 2,094,880

CITY OF EDEN, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

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 ___ yes X 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)? ___ yes X no

Identification of major federal programs:

CFDA No(s). Names of Federal Program or Cluster

None

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

Auditee qualified as low-risk auditee? X yes ___ 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

NC Rural Infrastructure Authority – Building Reuse Grant –
Gildan Activewear

Division of Water Infrastructure – Drinking Water Wastewater

CITY OF EDEN, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

Section II. Financial Statement Findings

None

Section III. Federal Award Findings and Questioned Costs

None

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, 2021

Finding: 2020-01

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