



City of Eden

Financial Statements

June 30, 2022

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

COUNCIL MEMBERS

Neville Hall, Mayor
Bernie Moore, Mayor Pro Tem

Jerry Epps
Bruce Nooe
Gerald Ellis

Phillip Hunnicutt
Kenny Kirkman
Tommy Underwood

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



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Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2022, and the related notes to the financial statements, which collectively comprise City of Eden's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Eden as of June 30, 2022, and the respective changes in financial position, and cash flows [where applicable] thereof and the respective budgetary comparison for the General Fund and the ARPA Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did audit the financial statements of the City of Eden's ABC Board, which represent 100 percent, 100 percent, and 100 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component unit, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Eden and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of City of Eden's ABC Board were not audited in accordance with *Governmental Auditing Standards*.

Responsibilities of Management for the Audit of 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the City of Eden's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Eden's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Eden's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, and the Other Post Employment Benefit and Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions on pages 83 through 85, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 80 through 81, respectively, and the Firefighter' and Rescue Squad Worker's Pension Fund's Schedule of the Proportionate Share of Net Pension Liability (Asset) on page 82 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 consist 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eden's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, as well as the accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

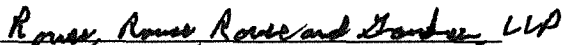
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of the City of Eden's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that 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 the effectiveness of City of Eden's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Eden's internal control over financial reporting and compliance.


Rouse, Rouse, Rouse & Gardner, LLP
Eden, North Carolina
November 14, 2022

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, 2022. 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

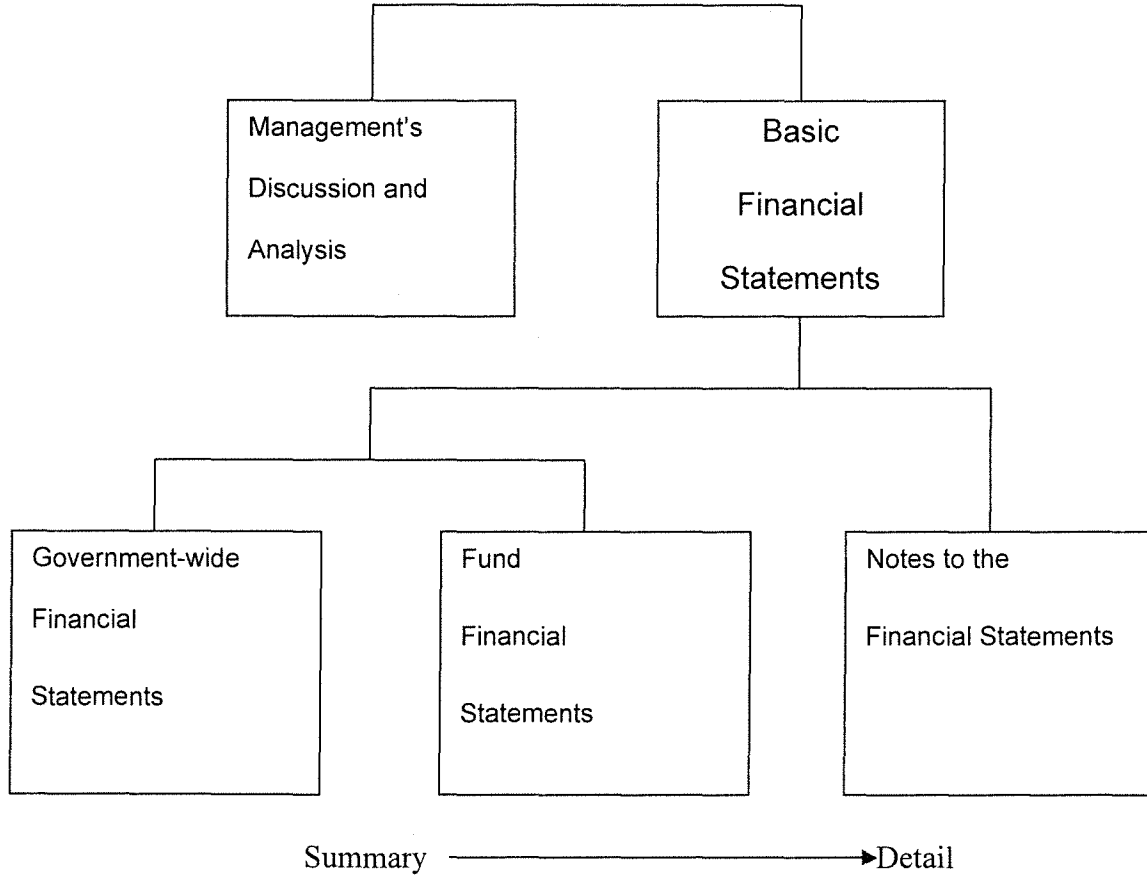
- The assets and deferred outflows of resources of the City of Eden exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$85,007,835 (Net Position).
- The government's total net position increased by \$400,213 primarily due to the increase in business-type activities net position.
- On June 30, 2022, the governmental funds reported combined ending fund balances of \$12,417,132, a decrease of (\$29,384) in comparison with the prior year. Approximately 70.23% of this total amount, or \$8,720,082, is available for spending (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,720,082, or 50.26% of the total general fund expenditures for the fiscal year.
- The City of Eden's total liabilities decreased by \$972,864 from \$43,511,200 to \$42,538,336 during the current fiscal year. The key factor in this change was the decrease 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 8) 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 - 78 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	16,243,571	14,169,204	6,435,062	9,682,911	22,678,633	23,852,115
Capital assets	26,068,361	26,862,211	74,085,724	72,081,715	100,154,085	98,943,926
Deferred outflows of resources	<u>6,607,747</u>	<u>4,842,863</u>	<u>1,517,389</u>	<u>1,036,722</u>	<u>8,125,136</u>	<u>5,879,585</u>
Total assets and deferred outflows of resources	<u>48,919,679</u>	<u>45,874,278</u>	<u>82,038,175</u>	<u>82,801,348</u>	<u>130,957,854</u>	<u>128,675,626</u>
Long-term liabilities	18,507,435	18,849,763	18,269,524	17,725,697	36,776,959	36,575,460
Other liabilities	3,449,919	2,486,131	2,311,458	4,449,609	5,761,377	6,935,740
Deferred inflows of resources	<u>2,753,897</u>	<u>473,439</u>	<u>657,786</u>	<u>83,365</u>	<u>3,411,683</u>	<u>556,804</u>
Total liabilities and deferred inflows of resources	<u>24,711,251</u>	<u>21,809,333</u>	<u>21,238,768</u>	<u>22,258,671</u>	<u>45,950,019</u>	<u>44,068,004</u>
Net Position:						
Invested in capital assets, net of related debt	22,524,990	20,824,508	58,082,150	55,151,435	80,607,140	75,975,943
Restricted	2,349,939	2,290,744			2,349,939	2,290,744
Unrestricted	<u>(666,501)</u>	<u>949,693</u>	<u>2,717,257</u>	<u>5,391,242</u>	<u>2,050,756</u>	<u>6,340,935</u>
Total Net Assets	<u>24,208,428</u>	<u>24,064,945</u>	<u>60,799,407</u>	<u>60,542,677</u>	<u>85,007,835</u>	<u>84,607,622</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 \$85,007,835 as of June 30, 2022. The City's net position increased by \$400,213 for the fiscal year ended June 30, 2022. 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 2.76% represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,050,756 is unrestricted.

City of Eden
Changes in Net Position
Figure 3

	Governmental Activities 2022	Governmental Activities 2021	Business-type Activities 2022	Business-type Activities 2021	Total 2022	Total 2021
Revenues:						
Program revenues:						
Charges for services	2,598,948	2,574,103	9,422,190	9,952,215	12,021,138	12,526,318
Operating grants and Contributions	974,493	632,787			974,493	632,787
Capital grants and Contributions	594,843	1,030,446	1,173,032	4,580,633	1,767,875	5,611,079
General revenues:						
Property taxes	6,474,399	6,437,953			6,474,399	6,437,953
Other taxes	5,373,772	4,752,756			5,373,772	4,752,756
Grants and contributions not restricted to specific programs	1,516,915	1,323,053			1,516,915	1,323,053
Other	34,870	47,413	23,510	29,476	58,380	76,889
Total revenues	17,568,240	16,798,511	10,618,732	14,562,324	28,186,972	31,360,835
Expenses:						
General government	2,489,861	2,122,034			2,489,861	2,122,034
Public safety	8,105,723	6,442,781			8,105,723	6,442,781
Transportation	2,033,872	1,794,247			2,033,872	1,794,247
Sanitation	1,968,757	1,913,177			1,968,757	1,913,177
Economic and physical development	69,005	18,291			69,005	18,291
Cultural and recreation	1,069,948	879,888			1,069,948	879,888
Public works	1,134,342	833,115			1,134,342	833,115
Special appropriations	241,283	536,168			241,283	536,168
Interest on long-term debt	177,595	119,711			177,595	119,711
Water and sewer			10,496,373	9,946,689	10,496,373	9,946,689
Total expenses	17,290,386	14,659,412	10,496,373	9,946,689	27,786,759	24,606,101
Total General Revenues excluding Transfers	277,854	2,139,099	122,359	4,615,635	400,213	6,754,734
Transfers ARPA	(134,371)	-	134,371	-	-	-
Increases (decreases) in net position	143,483	2,139,099	256,730	4,615,635	400,213	6,754,734
Net position-Beginning of Year	24,064,945	21,925,846	60,542,677	55,927,042	84,607,622	77,852,888
Net position-End of Year	24,208,428	24,064,945	60,799,407	60,542,677	85,007,835	84,607,622

Governmental activities. Governmental activities increased the City's net position by \$143,483. Key element of this increase is as follows:

- A increase in charges for services, operating grants and contributions, property taxes, 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 \$256,730. Key elements of this increase are as follows:

- Transfer of ARPA Funds and capital 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 \$8,720,082 while total fund balance reached \$12,378,104. 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 50.26% of total General Fund expenditures, while total fund balance represents 71.35% of that same amount.

At June 30, 2022, the governmental funds of City of Eden reported a combined fund balance of \$12,417,132 a .24% decrease compared with last year. Included in this change in fund balance is an decrease in fund balance in the General Fund in the amount of (\$24,051) and a decrease in other governmental funds of (\$5,335).

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 other taxes and licenses, local sales tax, franchise, other unrestricted intergovernmental revenues, sales and services, 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 \$2,717,257. The total increase in net position for the fund was \$256,730. 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, 2022 totals \$100,154,085. 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	1,308,686	1,325,229	1,826,960	1,826,960	3,135,646	3,152,189
Buildings and systems	3,945,670	4,045,506	48,848,889	50,444,802	52,794,559	54,490,308
Improvements other than buildings	4,973,374	5,057,916			4,973,374	5,057,916
Machinery and equipment	1,025,035	1,038,784	1,681,282	2,093,099	2,706,317	3,131,883
Infrastructure	12,559,596	12,472,750			12,559,596	12,472,750
Vehicles and motorized equipment	2,083,182	2,760,723	276,339	367,762	2,359,521	3,128,485
Construction in progress	<u>172,819</u>	<u>161,303</u>	<u>21,452,254</u>	<u>17,349,092</u>	<u>21,625,073</u>	<u>17,510,395</u>
Total	<u>26,068,362</u>	<u>26,862,211</u>	<u>74,085,724</u>	<u>72,081,715</u>	<u>100,154,086</u>	<u>98,943,926</u>

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

Long-term Debt. As of June 30, 2022, 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 decreased by \$972,864 from \$43,511,200 to \$42,538,336 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 \$74,104,939.

Budget Highlights for the Fiscal Year Ending June 30, 2022

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, 2022

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	11,779,835	4,060,901	15,840,736	388,670
Cash and cash equivalents - restricted deposits	1,866,398	366,045	2,232,443	
Taxes receivable, net of allowance for uncollectible	121,336		121,336	
Unbilled water and sewer receivables		989,785	989,785	
Customer receivables, net of allowance for uncollectibles	577,046	396,153	973,199	
Due from other governmental agencies	1,489,135		1,489,135	
Accrued interest receivable	7,713		7,713	
Due from component unit	50,491		50,491	
Other receivables		232,454	232,454	
Internal balance	4,506	(4,506)	-	
Inventories	308,796	385,946	694,742	200,993
Prepaid items	38,315	8,284	46,599	6,448
Total Current Assets	16,243,571	6,435,062	22,678,633	596,111
Capital Assets:				
Land and construction in progress	1,481,505	23,279,214	24,760,719	95,335
Other capital assets, net of depreciation	24,586,856	50,806,510	75,393,366	46,784
Total Capital Assets	26,068,361	74,085,724	100,154,085	142,119
Total Assets	42,311,932	80,520,786	122,832,718	738,230
Deferred Outflows of Resources				
Contributions to Pension Plan in Current Fiscal Year	2,115,859	649,278	2,765,137	49,854
Contributions to Pension Plan in Current Fiscal Year - Police Separation	791,004		791,004	
OPEB Deferrals	3,700,884	868,110	4,568,994	
Total Deferred Outflows of Resources	6,607,747	1,517,388	8,125,135	49,854
Liabilities				
Accounts payable and retainage payable	421,111	809,848	1,230,959	107,253
Due to Grantor's agency		230,397	230,397	
Customer deposits	15,024	366,045	381,069	
Due to Primary Government			-	50,491
Liabilities to be paid from Restricted Assets	1,799,423		1,799,423	
Current Portion of Long Term Liabilities	333,953	734,307	1,068,260	
Total Current Liabilities	2,569,511	2,140,597	4,710,108	157,744
Long-term liabilities:				
Compensated absences payable	880,408	170,861	1,051,269	
Total OPEB Liability	11,003,665	2,581,107	13,584,772	
Net Pension Liability - Police Separation Allowance	2,967,042		2,967,042	
Net Pension Liability - LGERS	1,327,310	419,150	1,746,460	18,097
Due in more than one year	3,209,418	15,269,267	18,478,685	
Total Long Term Liabilities	19,387,843	18,440,385	37,828,228	18,097
Total Liabilities	21,957,354	20,580,982	42,538,336	175,841
Deferred Inflows of Resources:				
Prepaid items	503,717		503,717	
OPEB Deferrals	255,538	58,942	314,480	
Pension Deferrals - Separation Allowance	98,300		98,300	
Pension Deferrals	1,896,342	598,844	2,495,186	25,854
Total Deferred Inflows of Resources	2,753,897	657,786	3,411,683	25,854
Net Position				
Net Investment in capital assets	22,524,990	58,082,150	80,607,140	142,118
Restricted for:				
Stabilization by State Statute	2,076,888		2,076,888	
Other purposes	7,825		7,825	444,270
Transportation	104,894		104,894	
Public safety	24,304		24,304	
Economic Development	136,028		136,028	
Unrestricted	(666,501)	2,717,257	2,050,756	
Total Net Position	24,208,428	60,799,407	85,007,835	586,388

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, 2022

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	2,489,861	134,349	617,140		(1,738,372)		(1,738,372)	
Public Safety	8,105,723	164,944	315,112		(7,625,667)		(7,625,667)	
Transportation	2,033,872	13,097		527,915	(1,492,860)		(1,492,860)	
Economic and Physical Development	69,005			66,928	(2,077)		(2,077)	
Environmental Protection	1,968,757	2,005,205			36,448		36,448	
Cultural and Recreation	1,069,948	274,996	42,241		(752,711)		(752,711)	
Public Works	1,134,342	6,357			(1,127,985)		(1,127,985)	
Special Appropriations	241,283				(241,283)		(241,283)	
Interest on Long-Term Debt	177,595				(177,595)		(177,595)	
Total Governmental Activities	17,290,386	2,598,948	974,493	594,843	(13,122,102)		(13,122,102)	
Business-Type Activities:								
Water and Sewer	10,496,373	9,422,190		1,173,032		98,849	98,849	
	<u>27,786,759</u>	<u>12,021,138</u>	<u>974,493</u>	<u>1,767,875</u>	<u>(13,122,102)</u>	<u>98,849</u>	<u>(13,023,253)</u>	
Component Unit:								
ABC Board	<u>2,043,103</u>	<u>2,076,431</u>						<u>33,328</u>
General Revenues:								
Taxes:								
					6,474,399		6,474,399	
					3,835,671		3,835,671	
					873,863		873,863	
					663,523		663,523	
					715		715	
							-	
					1,516,915		1,516,915	
					34,870	23,510	58,380	363
					13,399,956	23,510	13,423,466	363
					(134,371)	134,371	-	-
					<u>13,265,585</u>	<u>157,881</u>	<u>13,423,466</u>	<u>363</u>
					143,483	256,730	400,213	33,691
					24,064,945	60,542,677	84,607,622	552,697
					<u>24,208,428</u>	<u>60,799,407</u>	<u>85,007,835</u>	<u>586,388</u>

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

City of Eden
Balance Sheet
Governmental Funds
June 30, 2022

Exhibit 3

Assets	Major		Non-Major	Total
	General	American Rescue Plan Fund	Other Governmental Funds	Governmental Funds
Cash and Cash Equivalents	10,661,659	1,745,780	39,028	12,446,467
Cash and cash equivalents - restricted deposits	120,618			120,618
Taxes receivable, net of allowance for uncollectibles of \$162,015	121,336			121,336
Accounts receivable, net of allowance for uncollectibles of \$563,651	577,046			577,046
Due from other governmental agencies	1,444,845			1,444,845
Due from other funds	4,506	53,643		58,149
Due from Component Unit	50,491			50,491
Inventories	308,796			308,796
Deferred Outflows	-			-
Prepaid Expenses	38,315			38,315
Total Assets	13,327,612	1,799,423	39,028	15,166,063
Liabilities:				
Unearned revenues	-	1,799,423	-	1,799,423
Accounts payable and accrued liabilities	255,788		-	255,788
Due to Other Funds	53,643		-	53,643
Client Deposits	15,024		-	15,024
Total Liabilities	324,455	1,799,423	-	2,123,878
Deferred Inflows of Resources:				
Property taxes receivable	121,336			121,336
Prepaid items	503,717			503,717
	625,053	-	-	625,053
Fund Balances:				
Non Spendable				
Inventories	308,796			308,796
Prepaid Expenses	38,315			38,315
Restricted				
Stabilization by State Statute	2,076,888			2,076,888
Streets	104,894			104,894
Public Safety	24,304			24,304
Historic Preservation	7,825			7,825
Economic Development	97,000		39,028	136,028
Cultural & Recreational	-			-
Assigned				
Subsequent year's expenditures	1,000,000			1,000,000
Unassigned reported in:				
General fund	8,720,082			8,720,082
Total Fund Balance	12,378,104	-	39,028	12,417,132
Total Liabilities, Deferred Inflows of Resources and Fund Balances	13,327,612	1,799,423	39,028	15,166,063

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

City of Eden
Balance Sheet
Governmental Funds
June 30, 2022

Exhibit 3

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

Total Fund Balance, Governmental Funds	12,417,132
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 - \$1,481,505 ; capital assets being depreciated, net - \$24,586,857)	26,068,362
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.	(2,967,042)
Net pension liability	(1,327,310)
Net OPEB liability	(11,003,665)
Contributions to pension plan in current fiscal year and not included in the statement of activities	2,906,862
Contributions to OPEB in current fiscal year and not included in the statement of activities	3,700,884
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.	958,115
Taxes receivable (\$121,336) and accrued interest receivable (\$7,713) 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	129,049
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Notes payable (\$3,543,371); earned vacation pay - (\$669,189); earned comp time - (\$211,219)	(4,423,779)
Pension deferrals - Local Government Retirement	(1,896,342)
Pension deferrals - Police Separation Allowance	(98,300)
OPEB deferrals	(255,538)
Net Position of governmental activities	<u><u>24,208,428</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, 2022

Exhibit 4

Revenues	Major		Non-Major	Total
	General	American Rescue Plan Fund	Other Governmental Funds	Governmental Funds
Ad valorem taxes	6,431,922		11,669	6,443,591
Privilege licenses	715			715
Other taxes and licenses	663,523			663,523
Local sales tax	3,835,671			3,835,671
Franchise tax	873,863			873,863
Other unrestricted intergovernmental revenues	1,516,915			1,516,915
Restricted intergovernmental revenues	911,076	580,790	66,928	1,558,794
Permits and fees	124,223			124,223
Sales and services	2,392,188			2,392,188
Interest on investments	34,722		148	34,870
Miscellaneous	82,537			82,537
Total revenues	16,867,355	580,790	78,745	17,526,890
Expenditures				
Current:				
General government	3,596,540			3,596,540
Public safety	6,690,987			6,690,987
Cultural and recreational	956,699			956,699
Transportation	2,317,933			2,317,933
Economic and physical development	-		84,080	84,080
Environmental protection	1,719,141			1,719,141
Public Works	1,710,395			1,710,395
Special appropriations	96,865			96,865
Non Departmental	144,419			144,419
Debt service:				
Principal	2,494,331			2,494,331
Interest	177,595			177,595
Total expenditures before charge-out	19,904,905	-	84,080	19,988,985
Less: Administrative cost charged to water and sewer fund	2,556,538			2,556,538
Total expenditures	17,348,367	-	84,080	17,432,447
Excess (deficiency) of revenues over expenditures	(481,012)	580,790	(5,335)	94,443
Other financing Sources (Uses)				
Transfers in				
Transfer from/to funds	456,961	(580,790)		(123,829)
Proceeds from installment purchase	-			-
Total other financing sources and uses	456,961	(580,790)	-	(123,829)
Net change in fund balance	(24,051)	-	(5,335)	(29,386)
Fund balances - beginning of year	12,402,155	-	44,363	12,446,518
Fund balances - ending of year	12,378,104	-	39,028	12,417,132

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, 2022

Exhibit 4

Net change in fund balances - total governmental funds	(29,386)
The change in net position reported for governmental activities in the statement of activities is different because:	
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 depreciation (\$1,513,080) exceeded capital outlay (\$719,231) net of disposals (\$16,543) in the current period.	(793,849)
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 - \$4,477).	4,477
Liability for earned but deferred revenues in fund statements	26,335
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 (\$2,494,331) exceeded repayments (\$0).	2,494,331
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 (\$7,857), earned comp time (\$211,219), net pension obligation (\$161,933), other post-employment benefits (\$1,534,449) and pension expense \$207,769.	(1,707,689)
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.	149,264
Change in net position of governmental activities	143,483

City of Eden
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

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	6,476,500	6,476,500	6,431,922	(44,578)
Privilege licenses	800	800	715	(85)
Other taxes and licenses	620,800	620,800	663,523	42,723
Local sales tax	3,218,200	3,218,200	3,835,671	617,471
Franchise tax	871,200	871,200	873,863	2,663
Other unrestricted intergovernmental revenues	1,261,000	1,261,000	1,516,915	255,915
Restricted intergovernmental revenues	925,400	1,026,300	911,076	(115,224)
Permits and fees	133,800	133,800	124,223	(9,577)
Sales and services	2,232,000	2,258,800	2,392,188	133,388
Interest on investments	76,000	76,000	34,722	(41,278)
Miscellaneous	42,600	42,600	82,537	39,937
Total revenues	<u>15,858,300</u>	<u>15,986,000</u>	<u>16,867,355</u>	<u>881,355</u>
EXPENDITURES				
General government:				
Governing body	99,000	99,000	83,825	15,175
Administration & Legal	816,200	824,600	756,762	67,838
Finance/Human Resources	620,400	643,100	602,901	40,199
Planning	837,800	869,300	771,752	97,548
Marketing & Customer Service	377,700	448,800	402,729	46,071
Division of Design & Construction	304,700	355,600	341,527	14,073
Information Technology	645,400	660,200	637,044	23,156
Total general government	<u>3,701,200</u>	<u>3,900,600</u>	<u>3,596,540</u>	<u>304,060</u>
Public works:				
Facilities & Grounds	915,600	1,060,500	1,028,235	32,265
City Garage	472,400	810,700	682,160	128,540
Total public works	<u>1,388,000</u>	<u>1,871,200</u>	<u>1,710,395</u>	<u>160,805</u>
Public safety:				
Police department	4,883,900	5,215,000	5,022,846	192,154
Fire department	2,128,100	2,151,000	1,668,141	482,859
Total public safety	<u>7,012,000</u>	<u>7,366,000</u>	<u>6,690,987</u>	<u>675,013</u>
Transportation:				
Streets	1,971,600	1,965,800	1,875,712	90,088
Powell Bill	415,000	445,000	442,221	2,779
Total Transportation	<u>2,386,600</u>	<u>2,410,800</u>	<u>2,317,933</u>	<u>92,867</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, 2022

Exhibit 5

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Environmental protection	1,678,600	1,769,700	1,719,141	50,559
Cultural and recreational	803,800	1,036,800	956,699	80,101
Special Appropriations	308,200	176,200	96,865	79,335
Non Departmental - Bad Debt Expense	-	-	144,419	(144,419)
Debt Service:				
Principal	1,052,900	2,497,000	2,494,331	2,669
Interest	180,200	181,500	177,595	3,905
Total debt service	<u>1,233,100</u>	<u>2,678,500</u>	<u>2,671,926</u>	<u>6,574</u>
Contingency	400,000	-	-	-
Total expenditures before charge-out	18,911,500	21,209,800	19,904,905	1,304,895
Less: administrative cost charged to water and sewer fund	<u>2,313,200</u>	<u>2,313,200</u>	<u>2,556,538</u>	<u>243,338</u>
Total expenditures	<u>16,598,300</u>	<u>18,896,600</u>	<u>17,348,367</u>	<u>1,548,233</u>
Excess (deficiency) of revenues over expenditures	<u>(740,000)</u>	<u>(2,910,600)</u>	<u>(481,012)</u>	<u>2,429,588</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from installment purchase and capital lease	165,000	165,000	-	(165,000)
Transfer from Other Funds	-	567,800	456,961	(110,839)
Fund balance appropriated	575,000	2,177,800	-	(2,177,800)
Total other financing sources (uses)	<u>740,000</u>	<u>2,910,600</u>	<u>456,961</u>	<u>(2,453,639)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	(24,051)	<u>(24,051)</u>
Fund balances - beginning of year			12,402,155	
Fund balances - end of year			<u>12,378,104</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, 2022

Exhibit 6

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Assets:		
Current Assets:		
Cash and Cash Equivalents	4,060,901	1,079,148
Cash and Cash Equivalents - Restricted Deposits	366,045	
Customer Receivables, net of allowance for uncollectibles of \$841,908	396,153	
Unbilled Water Receivable	989,785	
Other Receivables	232,454	44,290
Inventory	385,946	
Prepaid Expenses	8,284	
Total Current Assets	6,439,568	1,123,438
Noncurrent Assets:		
Capital Assets:		
Land	1,826,960	
Construction in Progress	21,452,254	
Water and Sewer Systems	91,422,743	
Furniture, Machinery, Equipment	15,665,094	
Vehicles	1,417,233	
Less Accumulated Depreciation	(57,698,560)	
Capital Assets (Net)	74,085,724	-
Total Assets	80,525,292	1,123,438
Deferred Outflows of Resources - Contributions to		
Pension Plan	649,278	
OPEB	868,110	-
Total Deferred Outflows of Resources	1,517,388	-

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, 2022

Exhibit 6

	Enterprise Fund	Internal Service Fund
	Water and Sewer Fund	Self Insured Insurance Fund
Liabilities:		
Current Liabilities:		
Accounts Payable	809,848	165,323
Due to grantor's agency	230,397	
Due from other funds	4,505	
Customer Deposits	366,045	
Bonds and Installment Purchases Payable - Current Maturities	734,307	
Total Current Liabilities	2,145,102	165,323
Noncurrent Liabilities:		
Accrued Vacation Pay	147,319	
Compensated Absences	23,542	
Bonds and Installment Purchases Payable - Long-Term Portion	15,269,267	
Net Pension Liability	419,150	
Net OPEB Liability	2,581,107	
Total Noncurrent Liabilities	18,440,385	-
Total Liabilities	20,585,487	165,323
Deferred Inflows of Resources:		
Other Deferred Inflows of Resources	-	
OPEB Deferrals	58,942	
Pension Deferrals	598,844	
Total Deferred Inflows of Resources	657,786	-
Net Position		
Net Investment in Capital Assets	58,082,150	
Unrestricted	2,717,257	958,115
Total Net Position	60,799,407	958,115

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, 2022

Exhibit 7

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	Water and Sewer Fund	Self Insured Insurance Fund
Operating Revenue		
User Charges	9,422,190	3,295,473
Operating Expenses		
Billing and Collections	373,891	
Water Filtration	1,190,598	
Maintenance	1,683,751	
Waste Treatment	1,283,514	
Water and Sewer Resources	640,686	
Depreciation Expense	2,323,325	
Pension Expense	(65,611)	
Non-Departmental	2,556,538	
OPEB Expense	358,932	
Bad Debt Expense	42,146	
Gross Insurance Fixed Cost		967,541
Insurance Claims	-	2,182,113
Total Operating Expenses	<u>10,387,770</u>	<u>3,149,654</u>
Net Operating Income (Loss)	<u>(965,580)</u>	<u>145,819</u>
Non-Operating Revenues (Expenses)		
Interest on Investments	23,510	3,445
Other Revenues	9,519	
Interest Expense	<u>(118,122)</u>	
Total Non-Operating Revenue (Expense)	<u>(85,093)</u>	<u>3,445</u>
Income (Loss) Before Contributions and Transfers	<u>(1,050,673)</u>	<u>149,264</u>
Capital Contributions/Grants		
NC Connect Bond	532,762	
Drinking Water Reserve Grant	350,894	
General Assembly Appropriation	289,376	
Transfer from ARPA Fund	<u>134,371</u>	
	<u>1,307,403</u>	
Change in Net Position	256,730	149,264
Total Net Position, Previously Reported	<u>60,542,677</u>	<u>808,851</u>
Net Position - End of Year	<u><u>60,799,407</u></u>	<u><u>958,115</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, 2022

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	12,989,747	3,297,220
Cash Paid for Goods and Services	(6,712,918)	(3,204,374)
Cash Paid to Employees	(2,015,153)	
Customer Deposits Received	83,275	
Customer Deposits Returned	(82,650)	
Net Cash Provided by Operating Activities	<u>4,262,301</u>	<u>92,846</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(4,327,334)	
Principal Paid on Bond and Installment Purchases	(2,512,149)	
Interest Paid on Bond and Installment Purchases	(118,122)	
Insurance Proceeds	6,437	
Proceeds from Sale of Capital Assets	1,475	
Proceeds from Sale of Surplus Property	127	
Proceeds from Class Action - Liquid Sulfate	1,480	
Proceeds from NC Connect Bond Grant	532,762	
Proceeds from Drinking Water Reserve Grant	350,894	
Proceeds from General Assembly Appropriation	289,376	
Transfer from ARPA Fund	134,371	
Proceeds from Installment Loan	1,585,443	
	<u>(4,055,240)</u>	<u>-</u>
Cash Flows from Non-Capital (Use of Funds)		
Due to/from Other Funds	(6,901)	
Cash Flows from Investing Activities:		
Interest on Investments	23,510	3,445
Net Increase (Decrease) in Cash and Cash Equivalents	223,670	96,291
Cash and Cash Equivalents:		
Beginning of Year, July 1	<u>4,203,276</u>	<u>982,857</u>
End of Year, June 30	<u><u>4,426,946</u></u>	<u><u>1,079,148</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, 2022

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	(965,580)	145,819
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,323,325	
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	69,283	
(Increase) Decrease in Unbilled Water Receivables and Assessments Receivable	110,440	
(Increase) Decrease in Other Receivables	3,387,833	1,747
(Increase) Decrease in Prepaid Expenses	(3,720)	
(Increase) Decrease in Inventories	(85,417)	
(Increase) Decrease in Deferred Outflows of Resources	(480,666)	
Increase (Decrease) in Accounts Payable, Retainage Payable, and Accrued Liabilities	(885,120)	(54,720)
Increase (Decrease) in Customer Deposits	625	
Increase (Decrease) in Accrued Vacation Pay	(6,230)	
Increase (Decrease) in Compensated Absences	23,541	
Increase (Decrease) in Net Pension Liability	(548,591)	
Increase (Decrease) in Deferred Inflows of Resources	574,421	
Increase (Decrease) in Post Employment Benefits	748,157	
Net Cash Provided by Operating Activities	4,262,301	92,846

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, 2022

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. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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 and Proprietary - are presented. The City has no fiduciary funds to report. 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.

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 three Special Revenues Funds. The Municipal Service District Tax Fund and CDBG Draper Housing are considered as non-major governmental funds. The ARPA Funds is considered a major governmental fund.

The City reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for the City's water and sewer operation. 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.

The City reports the following fund type:

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-

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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 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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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.

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022 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 a 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.

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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	104,894
Police Protection	<u>15,724</u>

Total Governmental Activities 120,618

Business-type Activities

Water and Sewer Fund

Customer Deposits	<u>366,045</u>
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Total Business-type Activities 366,045

Total Restricted Cash 486,663

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, 2021.

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. Leases Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

There were no lease receivables at June 30, 2022 which are material to the financial statements of the City.

7. Inventory and Prepaid Items

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

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

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

8. 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:

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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

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

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

During the year 2021-2022 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.

9. Right to Use Assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

There was no right to use lease assets at June 30, 2022 that were material to the financial statements.

10. 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 2022 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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

category – prepaid taxes, property taxes receivable, leases, and deferrals of pension expense and OPEB.

11. 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.

12. 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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

13. 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.

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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.

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.

14. 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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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 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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

At June 30, 2022, the City's deposits had a carrying amount of \$17,620,718 and a bank balance of \$17,860,453. 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, 2022, the City's petty cash fund totaled \$5,910. The carrying amount of deposits for the ABC Board was \$385,400 and the bank balance was \$422,093. 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, 2022 the City of Eden had \$446,553 (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, 2022

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, 2022 are net of the following allowances for doubtful accounts:

Fund	6/30/2022
General Funds - Taxes Receivable	162,015
Accounts Receivable	563,651
Enterprise Fund - Water & Sewer Fund	
Customers	841,908
Miscellaneous Accounts Receivable	267
	<u>1,567,841</u>

4. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions Year Ending 6/30/2022	Reductions Year Ending 6/30/2022	Transfers Year Ending 6/30/2022	Balance June 30, 2022
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	1,325,229		(16,543)		1,308,686
Construction in Progress*	161,303	11,516			172,819
	<u>1,486,532</u>	<u>11,516</u>	<u>(16,543)</u>	-	<u>1,481,505</u>
Capital Assets Being Depreciated:					
Municipal Park	3,267,352	14,900			3,282,252
Land Improvements	3,768,977	41,260			3,810,237
Buildings	3,047,746				3,047,746
Building Improvements	5,106,740	27,930			5,134,670
Vehicles	9,522,009	52,250		13,961	9,588,220
Furniture	39,303				39,303
Off Road Equipment	690,919				690,919
Other Equipment	3,725,398	145,697	(11,862)		3,859,233
Infrastructure	17,768,785	442,221			18,211,006
Radios	656,291				656,291
Total Capital Assets Being Depreciated	<u>47,593,520</u>	<u>724,258</u>	<u>(11,862)</u>	<u>13,961</u>	<u>48,319,877</u>
Less: Accumulated Depreciation For:					
Municipal Park	661,830	65,397			727,227
Land Improvements	1,316,583	75,305			1,391,888
Buildings	2,147,624	28,700			2,176,324
Building Improvements	1,961,356	99,066			2,060,422
Vehicles	6,897,557	683,394		13,961	7,594,912
Furniture	39,303				39,303
Off Road Equipment	554,649	46,397			601,046
Other Equipment	2,686,614	159,446	(11,862)		2,834,198
Infrastructure	5,296,035	355,375			5,651,410
Radios	656,290				656,290
Total Accumulated Depreciation	<u>22,217,841</u>	<u>1,513,080</u>	<u>(11,862)</u>	<u>13,961</u>	<u>23,733,020</u>
Total Capital Assets Being Depreciated Net	<u>25,375,679</u>				<u>24,586,857</u>
Governmental Activities Capital Assets Net	<u>26,862,211</u>				<u>26,068,362</u>
*Construction in Progress					
Stadium Drive Sidewalk	<u>172,819</u>				

The net book value of assets sold was \$0.

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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

General Government	191,245
Public Safety	513,025
Transportation	498,838
Environmental Protection	184,296
Cultural and Recreational	<u>125,676</u>
	<u>1,513,080</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Increases (Decreases)</u>	<u>Transfers</u>	<u>Ending Balances</u>
Business-type activities:					
Water and Sewer Fund					
Capital assets not being depreciated:					
Land	1,826,960				1,826,960
Construction in process	<u>17,349,092</u>	<u>4,159,861</u>	<u>(56,699)</u>		<u>21,452,254</u>
Total capital assets not being depreciated	<u>19,176,052</u>	<u>4,159,861</u>	<u>(56,699)</u>	-	<u>23,279,214</u>
Capital assets being depreciated:					
Plant and distribution systems	91,296,643	69,401	56,699		91,422,743
Furniture and maintenance equipment	15,577,922	98,072	(10,900)		15,665,094
Vehicles	<u>1,431,194</u>			<u>(13,961)</u>	<u>1,417,233</u>
Total capital assets being depreciated	<u>108,305,759</u>	<u>167,473</u>	<u>45,799</u>	<u>(13,961)</u>	<u>108,505,070</u>
Less accumulated depreciation for:					
Plant and distribution systems	40,851,841	1,722,013			42,573,854
Furniture and maintenance equipment	13,484,823	509,889	(10,900)		13,983,812
Vehicles	<u>1,063,432</u>	<u>91,423</u>		<u>(13,961)</u>	<u>1,140,894</u>
Total accumulated depreciation	<u>55,400,096</u>	<u>2,323,325</u>	<u>(10,900)</u>	<u>(13,961)</u>	<u>57,698,560</u>
Total capital assets being depreciated, net	<u>52,905,663</u>				<u>50,806,510</u>
Water and Sewer Fund capital assets, net	<u>72,081,715</u>				<u>74,085,724</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Increases Year Ending 6/30/22	Reductions Year Ending 6/30/2022	Balance June 30, 2022
Capital assets not being depreciated:				
Land	95,335			95,335
Capital assets being depreciated:				
Building	230,130			230,130
Parking lot improvements	30,390	23,485	12,190	41,685
Furniture/equipment	61,916			61,916
Total capital assets being depreciated	322,436	23,485	12,190	333,731
Less accumulated depreciation for:				
Building	216,374	7,026		223,400
Parking lot improvements	16,560	4,169	12,190	8,539
Furniture/equipment	53,164	1,844		55,008
Total accumulated depreciation	286,098	13,039	12,190	286,947
Capital assets being depreciated, net	36,338			46,784
ABC capital assets, net	131,673			142,119

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Construction Commitments

The City of Eden has active construction projects as of June 30, 2022.

Note	Project	Estimated Date of Completion	Total for Project Ordinance	Spent To Date	Remaining Commitment
1	Mega Park Water Improvements	March 2023	7,138,900	7,546,125	(407,225)
2	Remediation Plan Expenditures EPAAOC	December 2024	<u>35,725,600</u>	<u>17,297,149</u>	<u>18,428,451</u>
			<u>42,864,500</u>	<u>24,843,274</u>	<u>18,021,226</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, 2022

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, 2022

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, 2022 was 12.04% of compensation for law enforcement officers and 11.35% 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 \$1,056,919 for the year ended June 30, 2022.

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, 2022, the City reported a liability of \$1,746,459 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021, the City's proportion was 0.11388%, which was an increase of 0.00104% from its proportion measured as of June 30, 2020.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

For the year ended June 30, 2022, the City recognized pension expense of \$783,539. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual Experience	555,611	
Changes of assumptions	1,097,226	
Net difference between projected and actual earnings on pension plan investments		2,495,161
Changes in proportion and difference between City contributions and proportionate share of contributions	55,381	25
City contributions subsequent to the measurement date	<u>1,056,919</u>	
Total	<u>2,765,137</u>	<u>2,495,186</u>

\$1,056,919 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	184,612
2023	(30,685)
2024	(177,367)
2025	(763,536)
<i>Thereafter</i>	<u>-</u>
	<u>(786,976)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2020 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, 2021 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 2020 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, 2022

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 (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of net pension liability (asset)	\$6,779,609	\$1,746,459	(\$2,395,531)

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, 2022

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, 2020 (Valuation Date), the Separation Allowance's membership consisted of:

Retirees receiving benefits	14
Active plan members	<u>45</u>
Total	<u>59</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 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, 2020 valuation. The total pension liability in the December 31, 2020 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 at 2.5 percent
Discount Rate	2.25 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, 2020.

The actuarial assumptions used in the December 31, 2020 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, 2022

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, 2022, the City reported a total pension liability of \$2,967,042. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the City recognized pension expense of \$371,095.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	225,962	30,987
Changes of assumptions and other inputs	453,064	67,313
Benefit payments and administrative expenses subsequent to the measurement date	111,978	
	791,004	98,300
Total		

\$111,978 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:

2023	\$ 150,596
2024	186,518
2025	156,541
2026	85,086
2027	1,985
Thereafter	-

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25 %)	1% Increase (3.25 %)
Total Pension Liability	\$3,173,496	\$2,967,042	\$2,776,327

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

Beginning balance as of December 31, 2020	\$2,968,659
Service Cost	106,190
Interest on the total pension liability	55,434
Change in benefit terms	-
Difference between expected and actuarial experience	93,910
Changes of assumptions and other inputs	(64,315)
Benefit payments	(192,836)
Other	-
Net Changes	<u>(\$ 1,617)</u>
Total Pension Liability as of December 31, 2021	<u>\$2,967,042</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, 2020 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, 2022

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	783,539	371,095	1,154,634
Pension Liability	1,746,459	2,967,042	4,713,501
Proportionate share of the net pension liability	0.11388%	-	
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	555,611	225,962	781,573
Changes of assumptions	1,097,222	453,064	1,550,286
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	55,381	-	55,381
Benefit payments and administrative costs paid subsequent to the measurement date	1,056,919	111,978	1,168,897
<u>Deferred of Inflows of Resources</u>			
Differences between expected and actual experience	-	30,987	30,987
Changes of assumptions	-	67,313	67,313
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,495,165		2,495,165
	25		25

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, 2022 were \$659,306 which consisted of \$460,037 from the City and \$199,269 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
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For the Fiscal Year Ended June 30, 2022

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, 2022, the State contributed \$19,002,000 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, 2022 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 asset that was associated with the City and supported by the State was \$31,246. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022 and at June 30, 2021 was 0%.

For the year ended June 30, 2022, the City recognized pension expense of (\$3,441) and revenue of (\$3,441) for support provided by the State. At June 30, 2022, 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, 2020 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
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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
Notes to the Financial Statements
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Membership of the HCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

	<u>General Employees</u>
Retirees and dependents receiving benefits	142
Active plan members	<u>179</u>
Total	<u>321</u>

Total OPEB Liability

The City's OPEB liability of \$13,548,772 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 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	0.75 %
Wage inflation	3.25 %
Salary Increases, including wage inflation	
General Employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Municipal Bond Index Rate	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Healthcare Cost Trends	
Pre-Medicare and Medical And Prescription Dr	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Dental	3.50%

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.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	<u>\$9,647,105</u>
Changes for the year	
Service Cost	426,623
Interest	215,869
Changes of benefit terms	-
Differences between expected and actual experience	2,212,522
Changes in assumptions or other inputs	1,697,801
Net Benefits payments	<u>(615,148)</u>
Net Changes	<u>3,937,667</u>
Balance at June 30, 2021	<u><u>13,584,772</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate.

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 15,030,488	\$ 13,584,772	\$ 12,307,661

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	\$ 12,159,924	\$ 13,584,772	\$ 15,269,991

City of Eden, North Carolina
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For the Fiscal Year Ended June 30, 2022

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,654,779. At June 30, 2022, 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	1,947,667	103,006
Changes of assumptions or other inputs	2,163,154	211,474
Benefit payments and administrative costs made subsequent to the measurement date	<u>458,173</u>	<u>-</u>
Total	<u>4,568,994</u>	<u>314,480</u>

\$458,173 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, 2022. 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:	
2023	\$1,012,287
2024	\$1,012,287
2025	\$1,034,006
2026	\$736,761
2027	-
Thereafter	-

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

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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
For the Fiscal Year Ended June 30, 2022

3. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources at year end are comprised 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	1,168,897		
Contribution to OPEB plan Subsequent to measurement date	458,173		
Taxes Receivable			121,336
Prepaid privilege licenses		455	455
Prepaid property and motor vehicle taxes		3,262	3,262
Prepaid SCIF Grant		500,000	500,000
Difference between expected and actual experience	2,729,240	133,993	
Change in assumption	3,713,440	278,787	
Net difference between projected and actual earnings on pension plan investments	-	2,495,161	
Changes in proportion and differences between employer contributions and proportionate share of contribution	55,381	25	
Total	<u>8,125,131</u>	<u>3,411,683</u>	<u>625,053</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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 administered by the North Carolina League of Municipalities. The flood limit of insurance is \$5,000,000 for single occurrence with an annual aggregate limit of \$5,000,000. The policy has a \$50,000 deductible. There is no flood coverage outside zones B, C, or X 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: \$241,000 for the period May 1, 2022 until April 30, 2023. 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 \$165,000 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-

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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, 2022 including \$62,875 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	43,769	11,062
2024	44,766	10,065
2025	45,787	9,044
2026	46,831	8,000
2027	47,899	6,931
2027-2032	<u>256,142</u>	<u>17,773</u>
Present Value of Installment Purchase Payments	<u>485,194</u>	
Total Interest Payments		<u>62,875</u>

City of Eden, North Carolina
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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 an 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, 2022 including \$139,546 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	67,587	22,348
2024	69,365	20,571
2025	71,189	18,746
2026	73,061	16,874
2027	74,983	14,953
2027-2032	405,553	44,125
2032-2033	<u>88,006</u>	<u>1,929</u>
Present Value of Installment Purchase Payments	<u>849,744</u>	
Total Interest Payments		<u>139,546</u>

City of Eden, North Carolina
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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, 2022 including \$136,222 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	58,675	24,196
2024	60,805	22,066
2025	63,012	19,859
2026	65,300	17,572
2027	67,670	15,201
2037-2032	<u>351,099</u>	<u>37,328</u>
Present Value of Installment Purchase Payments	<u>666,561</u>	
Total Interest Payments		<u>136,222</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, 2022 including \$8,958 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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>263,545</u>	
Total Interest Payments		<u>8,958</u>

City of Eden, North Carolina
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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%

The future minimum payments of the installment purchase as of June 30, 2022 including \$249,305 of interest are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	77,542	31,575
2024	79,457	29,659
2025	81,420	27,697
2026	83,431	25,686
2027	85,492	23,625
2027-2032	460,194	85,387
2032-2036	<u>410,791</u>	<u>25,676</u>
Present Value of Installment Purchase Payments	<u>1,278,327</u>	
Total Interest Payments		<u>249,305</u>

City of Eden, North Carolina
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Proprietary Funds

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.

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2023	15,507	
2024	15,507	
2025	15,507	
2026	15,507	
2027	15,507	
2027-2031	<u>46,520</u>	
Present Value of Installment Purchase Payments	<u>124,055</u>	
Total Interest Payments		<u>0</u>

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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, 2022 including \$93,185 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2023	57,747	15,531
2024	57,747	14,119
2025	57,747	12,707
2026	57,747	11,295
2027	57,747	9,883
2027-2032	288,733	28,238
2032-2033	<u>57,747</u>	<u>1,412</u>
Present Value of Installment Purchase Payments	<u>635,215</u>	
Total Interest Payments		<u>93,185</u>

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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>
2023	98,470	
2024	98,470	
2025	98,470	
2026	98,470	
2027	98,470	
2027-2032	492,349	
2032-2034	<u>196,940</u>	
Present Value of Installment Purchase Payments	<u>1,181,639</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>
2023	161,457	
2024	161,457	
2025	161,457	
2026	161,457	
2027	161,457	
2027-2032	807,282	
2032-2035	<u>484,369</u>	
Present Value of Installment Purchase Payments	<u>2,098,936</u>	
Total Interest Payments		<u>0</u>

City of Eden, North Carolina
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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.

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2023	148,374	
2024	148,374	
2025	148,374	
2026	148,374	
2027	148,374	
2027-2032	741,871	
2032-2036	<u>593,497</u>	
Present Value of Installment Purchase Payments	<u>2,077,238</u>	
Total Interest Payments		<u>0</u>

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

The future minimum payments of the installment purchase as of June 30, 2022 including \$120,123 of interest are as follows:

Year Ending	<u>Water and Sewer Fund</u>	
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2023	96,848	23,575
2024	99,260	21,163
2025	101,731	18,692
2026	104,265	16,159
2027	106,861	13,563
2027-3032	<u>437,819</u>	<u>26,971</u>
Present Value of Installment Purchase Payments	<u>946,784</u>	
Total Interest Payments		<u>120,123</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

At June 30, 2022, the City of Eden had received \$11,955,048 from the Department of Environmental Quality – Division of Water Infrastructure, of which \$5,977,523 was a loan and \$5,977,525 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, 2024. 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>
2023	0	
2024	298,876	
2025	298,876	
2026	298,877	
2027	298,877	
2027-2032	1,494,380	
2032-2037	1,494,380	
2037-2042	1,494,380	
2042-2043	<u>298,877</u>	
Present Value of Installment Purchase Payments	<u>5,977,523</u>	

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

At June 30, 2022, the City of Eden had received \$2,962,187 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 0.29% for 19 years. The first principal payment due not earlier than six months nor later than twelve months after the estimated date of completion of the first phase 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.

The future minimum payments of the installment purchase as of June 30, 2022 including \$85,903 of interest are as follows:

Year Ending <u>June 30</u>	<u>Water and Sewer Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2023	155,905	8,590
2024	155,905	8,138
2025	155,905	7,686
2026	155,905	7,234
2027	155,905	6,782
2027-2032	779,522	27,128
2032-2037	779,522	15,824
2037-2041	<u>623,618</u>	<u>4,521</u>
Present Value of Installment Purchase Payments	<u>2,962,187</u>	
Total Interest Payments		<u>85,903</u>

b. General Obligation Indebtedness

The City of Eden has no general obligation bonds serviced by the governmental funds.

At June 30, 2022 the City of Eden had a legal debt margin of \$74,104,939.

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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>			
2022-2023	333,953	93,635	427,588
2023-2024	342,233	85,355	427,588
2024-2025	350,733	76,856	427,589
2025-2026	268,623	68,132	336,755
2026-2027	276,044	60,710	336,754
2027-2032	1,472,988	184,613	1,657,601
2032-2037	498,797	27,605	526,402
	<u>3,543,371</u>	<u>596,906</u>	<u>4,140,277</u>
<u>Water and Sewer</u>			
2022-2023	734,307	47,696	782,003
2023-2024	1,035,595	43,421	1,079,016
2024-2025	1,038,067	39,085	1,077,152
2025-2026	1,040,600	34,688	1,075,288
2026-2027	1,043,196	30,228	1,073,424
2027-2032	5,088,478	82,336	5,170,814
2032-2037	3,606,456	17,236	3,623,692
2037-2042	2,117,999	4,521	2,122,520
2042-2043	298,876		298,876
	<u>16,003,574</u>	<u>299,211</u>	<u>16,302,785</u>

City of Eden
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

d. Changes in Long-Term Liabilities

	<u>General Long Term Debt June 30, 2021</u>	<u>Additions</u>	<u>Retirement</u>	<u>General Long Term Debt June 30, 2021</u>	<u>Current Portion of Balance</u>
Governmental Activities					
By type of debt:					
Direct Placement					
Installment purchases	6,037,702		2,494,331	3,543,371	333,953
Compensated absences	661,332	219,076		880,408	
Other Post Employment Benefits	<u>7,814,155</u>	<u>3,189,510</u>		<u>11,003,665</u>	
Governmental Activities Long-Term Liabilities	<u>14,513,189</u>	<u>3,408,586</u>	<u>2,494,331</u>	<u>15,427,444</u>	<u>333,953</u>
Business-type Activities					
Direct Placement					
Installment Purchases	16,930,280	1,585,443	2,512,149	16,003,574	734,307
Compensated absences	153,551	23,542	6,231	170,862	
Other Post Employment Benefits	<u>1,832,950</u>	<u>748,157</u>		<u>2,581,107</u>	
	<u>18,916,781</u>	<u>2,357,142</u>	<u>2,518,380</u>	<u>18,755,543</u>	<u>734,307</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

C. Interfund Balances and Activity

Balance due to/from other funds:

Balance due to/from other funds at June 30, 2022, consists of the following:

Due to the General Fund from the Water and Sewer Fund	<u>4,506</u>
Due to General Fund from Component Unit – Eden ABC Board	<u>50,491</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, 2022, the City of Eden has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of (\$3,441) for the 29 volunteer firemen and 17 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>12,378,104</u>
Less:	
Inventories	308,796
Prepaid Expenses	38,315
Stabilization by State Statute	2,076,888
Streets – Powell Bill	104,894
Public Safety	24,304
Historic Preservation	7,825
Economic Development	97,000
Working Capital/Fund Policy (3 months operating expenditures)	<u>4,337,092</u>
Remaining Fund Balance	<u>5,382,990</u>

City of Eden, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

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. The extension was approved and the anticipated date of completion has now been moved to December, 2024.

V. Subsequent Events

Management has evaluated subsequent events through November 14, 2022, the date on which these financial statements were available to be issued.

Required Supplemental Financial Data

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

Exhibit A-1

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Eden's proportion of the net pension liability (asset) (%)	0.1139%	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) (\$)	\$ 1,746,460	\$ 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	\$ 9,166,017	\$ 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	19.05%	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%	96.45%

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

Exhibit A-2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,057,121	\$ 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>1,057,121</u>	<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>	<u>\$ -</u>
Eden's covered-employee payroll	\$ 9,166,017	\$ 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	11.53%	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 Eight Fiscal Years
Firefighters' and Rescue Squad Workers' Pension

Exhibit A-3

	<u>2022</u>	<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%	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>(31,246)</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>
	<u>\$ (31,246)</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	\$ 946,366	\$ 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	-3.30%	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%	91.45%

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

Exhibit A-4

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 2,968,659	\$ 2,213,696	\$ 2,042,190	\$ 2,258,738	\$ 1,902,543	\$ 1,895,625
Service Cost	106,190	59,607	56,126	67,933	63,496	64,111
Interest on the total pension liability	55,434	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	93,910	132,828	149,282	(145,747)	214,317	-
Changes of assumptions or other inputs	(64,315)	670,046	55,775	(70,549)	114,093	(42,308)
Benefit payments	(192,836)	(176,803)	(161,081)	(137,390)	(107,082)	(81,111)
Other changes	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 2,967,042</u>	<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 Six Fiscal Years

Exhibit A-5

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,967,042	\$ 2,968,659	\$ 2,213,696	\$ 2,042,190	\$ 2,258,738	\$ 1,902,543
Covered payroll	\$ 2,331,953	\$ 2,248,833	\$ 2,267,666	\$ 2,268,621	\$ 2,426,635	\$ 2,312,713
Total pension liability as a percentage of covered payroll	127.23%	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 Five Fiscal Years

Exhibit A-6

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 426,623	\$ 311,188	\$ 415,829	\$ 426,793	\$ 455,720
Interest	215,869	290,089	272,158	240,721	203,624
Change in benefit terms	-	-	673,359	-	-
Differences between expected and actual experience	2,212,522	174,518	(242,200)	132,702	70,534
Changes of assumptions	1,697,801	1,146,972	253,701	(213,216)	(354,556)
Benefit payments	<u>(615,148)</u>	<u>(501,164)</u>	<u>(284,656)</u>	<u>(419,344)</u>	<u>(338,627)</u>
Net change in total OPEB liability	3,937,667	1,421,603	1,088,191	167,656	36,695
Total OPEB liability - beginning	<u>9,647,105</u>	<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>\$ 13,584,772</u>	<u>\$ 9,647,105</u>	<u>\$ 8,225,502</u>	<u>\$ 7,137,311</u>	<u>\$ 6,969,655</u>
Covered payroll	\$ 8,140,926	\$ 8,033,806	\$ 8,033,806	\$ 7,708,822	\$ 7,708,822
Total OPEB Liability as a percentage of covered payroll	166.87%	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>
2022	2.16%
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, 2022 and June 30, 2021

Exhibit B-1

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Assets:		
Cash and Cash Equivalents	10,661,659	10,340,759
Cash and Cash Equivalents - Restricted Deposits	120,618	240,038
Receivables (net):		
Taxes	121,336	95,003
Accounts Receivable	577,046	677,628
Due from Other Governmental Units	1,444,845	1,411,715
Due from Component Unit	50,491	16,256
Due from Other Funds	4,506	16,700
Inventories	308,796	238,267
Prepaid Expenses	38,315	54,908
Total Assets	<u><u>13,327,612</u></u>	<u><u>13,091,274</u></u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable and Accrued Liabilities	255,788	553,142
Client Deposits	15,024	14,859
Due to Other Funds	53,643	-
Deferred Inflows of Resources	625,053	121,120
Total Liabilities	<u>949,508</u>	<u>689,121</u>
Fund Balances:		
Non Spendable		
Inventories	308,796	238,267
Prepaid Expenses	38,315	54,908
Restricted		
Stabilization by State Statute	2,076,888	2,122,298
Streets - Powell Bill	104,894	29,647
Police Protection	24,304	42,340
Economic Development	97,000	81,376
Historic Preservation	7,825	7,825
Cultural & Recreational	-	7,260
Assigned		
Subsequent Year Expenditures	1,000,000	575,000
Unassigned	<u>8,720,082</u>	<u>9,243,232</u>
Total Fund Balances	<u>12,378,104</u>	<u>12,402,153</u>
Total Liabilities and Fund Balances	<u><u>13,327,612</u></u>	<u><u>13,091,274</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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Revenues:				
Ad Valorem Taxes:				
Current Year	6,320,000	15,432	6,335,432	6,277,434
Prior Years	140,700	(57,528)	83,172	110,179
Penalties and Interest on Taxes	40,900	508	41,408	37,566
Rockingham County Collection Fee - Vehicle Tax	(27,400)	(3,521)	(30,921)	(31,001)
Short-Term Rental Vehicle Tax	2,300	531	2,831	2,164
	<u>6,476,500</u>	<u>(44,578)</u>	<u>6,431,922</u>	<u>6,396,342</u>
Other Taxes & Licenses:				
Payments in Lieu of Taxes	256,500	(869)	255,631	266,244
Dog Taxes	900	(208)	692	798
Municipal Vehicle Tax	183,000	5,900	188,900	198,090
Franchise Fees	105,100	1,293	106,393	104,461
Privilege Licenses	800	(85)	715	735
Penalties on Privilege Licenses	-	5	5	9
Draper Rural Fire Tax	3,300	861	4,161	-
Occupancy Tax	72,000	35,741	107,741	76,179
	<u>621,600</u>	<u>42,638</u>	<u>664,238</u>	<u>646,516</u>
Unrestricted Intergovernmental Revenues:				
Wine and Beer Tax	66,900	(5,651)	61,249	62,602
Utilities Sales Tax	871,200	2,663	873,863	873,498
Solid Waste Disposal Tax	11,100	536	11,636	11,219
State Hold Harmless Payment	1,035,700	193,343	1,229,043	1,053,243
Local Options Sales Tax	1,346,900	272,970	1,619,870	1,354,000
Local Options Sales Tax-1/2 Cent	1,871,300	344,501	2,215,801	1,878,742
ABC Profit Distribution	147,300	67,687	214,987	195,989
	<u>5,350,400</u>	<u>876,049</u>	<u>6,226,449</u>	<u>5,429,293</u>
Restricted Intergovernmental Revenues:				
Powell Bill	415,000	101,659	516,659	430,732
Rockingham County	2,400	-	2,400	2,400
Controlled Substance Tax	10,400	3,507	13,907	12,437
On-Behalf of Payments - Fire and Rescue	18,500	(21,941)	(3,441)	14,046
Federal Drug Forfeiture	-	5,646	5,646	-
School Resource Officers: Rockingham County	165,000	2,809	167,809	163,245
Governor's Crime Commission Grant	24,400	2,572	26,972	41,206
Project Safe Rockingham County	20,500	(476)	20,024	20,024
Duke Energy Foundation Grant	-	-	-	15,000
COPS Grant	-	72,018	72,018	-
PEG Channel Grant	25,900	(92)	25,808	-
HCCBG Grant - Senior Center	30,000	-	30,000	15,000
Senior Center General Purpose Grant	7,100	28	7,128	7,010
Senior Center Tech Training Grant	5,100	13	5,113	7,137
SAFER Grant - Fire	295,000	(295,000)	-	-
CARES Act Proceeds	-	-	-	348,309
Building Reuse Grant - Gildan	-	-	-	500,000
NC DOT Sidewalk Grant	-	11,256	11,256	62,504
ABC Revenue for Law Enforcement	7,000	2,777	9,777	8,983
	<u>1,026,300</u>	<u>(115,224)</u>	<u>911,076</u>	<u>1,648,033</u>
Total	<u>1,026,300</u>	<u>(115,224)</u>	<u>911,076</u>	<u>1,648,033</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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Permits and Fees:				
Building Permits	39,000	(7,449)	31,551	267,247
Plumbing Permits	6,500	1,735	8,235	6,941
Mechanical Permits	16,000	3,625	19,625	13,065
Sign Permits	400	-	400	315
Planning Department Applications	900	(400)	500	580
Electrical Permits	15,500	13,220	28,720	26,380
Planning Department Permits	1,100	(194)	906	315
Building Fees	800	(800)	-	150
Nuisance Fees	52,000	(19,794)	32,206	47,341
Fire Department Permits	1,600	480	2,080	1,610
Total	133,800	(9,577)	124,223	363,944
Sales and Services:				
Concessions	30,400	12,620	43,020	21,819
Court Costs	4,500	1,039	5,539	4,778
Parking Violations	400	(330)	70	240
Fire Protection Charges	6,200	77	6,277	6,249
League Entrance Fees	2,500	273	2,773	500
County User Fees	800	(225)	575	195
Pool Admissions	13,000	13,532	26,532	21,089
Splash Pad Admissions	20,000	2,207	22,207	15,324
Recreation Revenues:				
Lessons	500	(91)	409	166
Dixie Youth Tournament	20,000	(1,392)	18,608	-
Building Use	15,400	24,905	40,305	21,347
Field Use & Lights	5,000	1,150	6,150	2,440
Miscellaneous	16,000	9,182	25,182	6,425
Police Security	60,000	9,381	69,381	57,089
Police Security - Fringe Benefits	9,600	3,544	13,144	11,554
Restitution	6,000	411	6,411	4,321
Dog Fines	2,500	1,016	3,516	2,665
Police Revenues	4,000	2,737	6,737	7,022
Historic Preservation Book Sales	-	490	490	900
Pottery Festival Fees	4,500	(860)	3,640	5,990
Riverfest	39,000	1,840	40,840	1,350
Oink & Ale Festival	9,500	1,823	11,323	10,633
Shaggin' on Fieldcrest	9,000	850	9,850	-
Touch-A-Truck	1,500	(1,155)	345	-
Grown & Gathered	9,000	1,520	10,520	7,145
Heritage & Heroes	5,800	37	5,837	-
Winterfest	1,000	(30)	970	-
Vending Machine Proceeds	7,000	(1,044)	5,956	7,887
Eden Merchandise Sales	-	420	420	20
Street Mowing and Cleaning	5,400	3,844	9,244	5,407
Driveway Cuts	4,000	(1,250)	2,750	2,395
Solid Waste Fees - Residential	1,461,500	(3,532)	1,457,968	1,379,017
Solid Waste Fees - Commercial	472,400	55,195	527,595	485,366
Dumpster Late Fees	1,500	(1,490)	10	-
Solid Waste Demolition & Abatement	3,300	(2,898)	402	2,179
Fuel Purchases/County Agencies	5,800	557	6,357	5,627
Fire Dept Rental - Draper Rural	1,200	(960)	240	1,200
Police - Fingerprinting Fee	600	(5)	595	230
Total	2,258,800	133,388	2,392,188	2,098,569
Investment Earnings:				
Investment Earnings	76,000	(41,278)	34,722	47,212
Miscellaneous Revenue:				
Miscellaneous Revenue	8,000	21,901	29,901	18,813
Cash Discounts Earned	100	(98)	2	-
Sale of Materials	4,500	8,105	12,605	3,068
Insurance Proceeds and Refunds	-	19,707	19,707	78,307
Donations	-	-	-	2,500
Donations to Recreation	30,000	(25,000)	5,000	4,491
Hurricane Reimbursement - Michael	-	5,540	5,540	-
Sale of Surplus Property	-	2,583	2,583	4,411
Sale of Fixed Assets	-	7,199	7,199	-
Total	42,600	39,937	82,537	111,590
Total Revenues	15,986,000	881,355	16,867,355	16,741,499

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Expenditures:				
General Government:				
Governing Board:				
Salaries & Wages:				
Regular Salaries	45,200	2,330	42,870	45,120
FICA	3,500	220	3,280	3,452
Insurance & Bonds/WC	800	199	601	706
Office Supplies	800	650	150	156
Departmental Supplies	1,000	98	902	967
Commissions/Boards Appreciations	200	200	-	468
Citizens Academy	1,500	1,436	64	-
Youth Council	2,000	817	1,183	629
Miscellaneous Expense	1,800	399	1,401	2,233
Travel	7,500	3,417	4,083	309
Advertising	200	200	-	828
Contracted Services	4,000	4,000	-	-
Training	2,300	60	2,240	-
Insurance and Bonds	3,400	105	3,295	3,091
Dues & Subscriptions	24,800	1,044	23,756	24,566
Reimbursement - Proprietary Fund	(54,500)	(8,410)	(46,090)	(37,433)
Total	44,500	6,765	37,735	45,092
Administration:				
Salaries & Wages:				
Regular Salaries	449,700	37,994	411,706	301,456
Part-Time	69,500	825	68,675	4,344
Total Salaries & Wages	519,200	38,819	480,381	305,800
FICA	41,600	5,375	36,225	23,163
Retirement Expense	59,200	7,400	51,800	30,328
Group Insurance	98,500	-	98,500	66,300
Life/AD&D/Disability Insurance	5,400	913	4,487	2,198
Insurance & Bonds/WC	2,700	76	2,624	706
Employee Incentives	100	25	75	75
401(k) Contributions	26,100	5,515	20,585	14,573
Professional Services	17,500	423	17,077	4,780
Uniforms/Laundry	300	92	208	114
Safety Equipment	-	-	-	83
Gas	1,600	204	1,396	704
Tires	500	500	-	263
Maintenance & Repair:				
Vehicles	1,000	214	786	488
Office Supplies	3,500	(70)	3,570	2,002
Departmental Supplies	2,000	824	1,176	1,375
Miscellaneous	2,500	1,673	827	3,296
Travel	3,000	(360)	3,360	85
Advertising	1,500	91	1,409	176
Contracted Services	15,700	3,400	12,300	-
Training	4,500	2,819	1,681	3,123
Insurance & Bonds	12,300	88	12,212	6,183
Dues & Subscriptions	5,900	(183)	6,083	3,592
Reimbursement - Proprietary Fund	(326,500)	(26,090)	(300,410)	-
Total	498,100	41,748	456,352	469,407

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Finance/Human Resources:				
Salaries & Wages:				
Regular Salaries	304,600	888	303,712	282,836
Total Salaries & Wages	304,600	888	303,712	282,836
FICA	23,000	711	22,289	20,711
Retirement Expense	35,000	382	34,618	28,845
Group Insurance	54,500	-	54,500	54,500
Life/AD&D/Disability Insurance	3,200	254	2,946	3,079
Unemployment Insurance	-	-	-	880
Insurance & Bonds/WC	2,100	96	2,004	3,282
Employee Incentive	100	-	100	156
401(k) Contributions	15,500	315	15,185	14,142
Professional Services	81,200	31,252	49,948	57,045
Credit Card Charges	-	-	-	14,398
Bank Service Charge	8,000	642	7,358	4,551
HR Special Incentive	10,200	47	10,153	15,701
Office Supplies	7,700	(279)	7,979	6,491
Departmental Supplies	4,500	2,044	2,456	2,851
Wellness Program	7,200	1,960	5,240	4,500
COVID Expenditures	2,800	53	2,747	-
Miscellaneous	3,000	(640)	3,640	414
Travel	2,000	964	1,036	-
Postage	8,000	639	7,361	8,929
Printing	3,200	19	3,181	714
Advertising	2,600	1,802	798	126
Contracted Services	59,200	83	59,117	57,870
Training	2,100	371	1,729	1,162
Equipment Rental	1,300	29	1,271	1,271
Insurance & Bonds	2,800	86	2,714	2,576
Dues & Subscriptions	1,000	510	490	1,193
Purchases for Inventory	5,000	2,685	2,315	1,452
Issues from Inventory	(6,700)	(4,714)	(1,986)	(2,027)
Reimbursement - Proprietary Fund	(341,300)	(12,460)	(328,840)	(321,173)
Total	301,800	27,739	274,061	266,475

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022		2021	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Planning & Economic Development:				
Salaries & Wages:				
Regular Salaries	413,700	13,868	399,832	281,105
Part-Time	12,000	5,847	6,153	8,050
Total Salaries & Wages	425,700	19,715	405,985	289,155
FICA	32,200	1,929	30,271	21,350
Retirement Expense	46,500	963	45,537	28,686
Group Insurance	85,200	-	85,200	68,200
Life/AD&D/Disability Insurance	4,100	92	4,008	2,779
Insurance & Bonds/WC	5,000	992	4,008	4,706
Employee Incentive	500	452	48	52
401(k) Contributions	20,500	508	19,992	14,055
Professional Services	55,900	-	55,900	144
Consultant Fees	2,500	2,012	488	-
Eden Downtown Development	3,000	-	3,000	-
Laundry/Uniforms	400	400	-	577
Safety Equipment	300	190	110	261
Gas	2,400	317	2,083	1,091
Tires	700	700	-	-
Maintenance & Repair:				
Copier	3,000	290	2,710	2,616
Building	-	-	-	6
Vehicles	2,300	1,237	1,063	758
Office Supplies	4,800	495	4,305	3,852
Departmental Supplies	3,000	104	2,896	3,069
Small Tools	300	300	-	21
Miscellaneous	1,700	1,372	328	315
Historic Preservation Expense	2,000	2,000	-	-
Community Appearance Expense	1,500	801	699	1,007
Tree Board Expense	5,000	-	5,000	-
Travel	4,000	3,595	405	-
Printing	600	600	-	-
Advertising	10,700	(504)	11,204	9,824
Professional Services/Programming	15,000	13,750	1,250	21,135
Contracted Services	88,100	43,504	44,596	96,858
Training	3,400	1,432	1,968	905
Insurance & Bonds	4,000	123	3,877	3,607
Dues & Subscriptions	10,000	179	9,821	2,962
Façade Improvements	25,000	-	25,000	-
Reimbursement-Proprietary Fund	(167,600)	(13,339)	(154,261)	(111,306)
Total	701,700	84,209	617,491	466,685

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022		2021	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Marketing & Customer Service:				
Salaries & Wages:				
Regular Salaries	110,000	1,435	108,565	199,110
Part-Time	24,700	270	24,430	-
Total Salaries & Wages	134,700	1,705	132,995	199,110
FICA	10,100	171	9,929	14,833
Retirement Expense	12,600	181	12,419	20,304
Group Insurance	27,300	-	27,300	40,900
Life/AD&D/Disability Insurance	1,000	10	990	2,245
Insurance & Bonds/WC	2,600	596	2,004	2,353
Employee Incentive	200	150	50	75
401(k) Contributions	5,600	156	5,444	9,956
Professional Services	200	176	24	1,236
Gas	600	265	335	841
Tires	200	200	-	-
Maintenance & Repair:				
Vehicles	300	175	125	1,420
Office Supplies	1,800	472	1,328	2,032
Departmental Supplies	2,200	141	2,059	1,984
Pottery Festival	7,000	1,842	5,158	5,590
Riverfest - Donation	6,000	-	6,000	-
Miscellaneous	1,200	1,031	169	3,339
Heritage & Heroes	5,900	63	5,837	-
Hispanic Heritage Day	2,600	64	2,536	-
PEG Channel Grant Expense	25,900	16,895	9,005	-
Eden Downtown Dev Corp	-	-	-	3,000
Riverfest	62,400	12,944	49,456	199
Oink & Ale Festival	15,100	(263)	15,363	12,415
Shaggin' on Fieldcrest	15,900	7,570	8,330	131
Touch-A-Truck	3,000	2,400	600	-
Grown & Gathered	15,000	390	14,610	7,006
Winterfest	3,000	274	2,726	-
Travel	-	-	-	659
Signs	-	-	-	480
RCC Project	-	-	-	1,000
Advertising	1,000	273	727	-
Professional Services/Programming	-	-	-	370
Contracted Services	12,500	300	12,200	-
Training	-	-	-	1,022
Insurance & Bonds	1,200	37	1,163	1,210
Dues & Subscriptions	200	54	146	2,073
Façade Improvements	-	-	-	22,313
Occupancy Tax Expenditures	71,500	(2,201)	73,701	60,218
Reimbursement-Proprietary Fund	(56,700)	3,067	(59,767)	(62,323)
Total	392,100	49,138	342,962	355,991

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Division of Design & Construction:				
Salaries & Wages:				
Regular Salaries	220,200	1,804	218,396	185,941
Overtime	1,100	391	709	802
Total Salaries & Wages	221,300	2,195	219,105	186,743
FICA	16,600	477	16,123	13,599
Retirement Expense	25,300	337	24,963	19,045
Group Insurance	46,900	-	46,900	40,900
Life/AD&D/Disability Insurance	2,200	169	2,031	1,822
Insurance & Bonds/WC	4,100	92	4,008	4,706
Employee Incentive	300	300	-	25
401(k) Contributions	11,100	161	10,939	9,337
Professional Services	1,500	126	1,374	36
Laundry/Uniforms	300	152	148	83
Safety Equipment	300	211	89	216
Mapping Supplies	300	280	20	92
Gas	1,400	171	1,229	2,182
Tires	900	900	-	-
Maintenance & Repair:				
Equipment	300	300	-	399
Vehicles	1,300	(44)	1,344	1,497
Office Supplies	700	(23)	723	528
Departmental Supplies	2,100	173	1,927	1,307
Small Tools & Equipment	900	876	24	-
Miscellaneous	300	43	257	-
Advertising	1,000	276	724	-
Professional Services/Programming	700	700	-	-
Contracted Services	12,100	5,215	6,885	3,149
Training	300	300	-	233
Insurance & Bonds	2,800	86	2,714	2,576
Dues & Subscriptions	400	400	-	-
Easements	200	200	-	-
Reimbursement - Proprietary Fund	(274,300)	35,718	(310,018)	(254,470)
Total	81,300	49,791	31,509	34,005

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Information Technology:				
Salaries & Wages:				
Regular Salaries	172,100	1,523	170,577	158,091
Total Salaries & Wages	172,100	1,523	170,577	158,091
FICA	12,900	796	12,104	11,133
Retirement Expense	19,700	257	19,443	16,112
Group Insurance	40,900	-	40,900	40,900
Life/AD&D/Disability Insurance	1,900	87	1,813	1,727
Insurance & Bonds/WC	600	199	401	470
Employee Incentives	300	221	79	33
401(k) Contributions	8,700	171	8,529	7,904
Professional Services	100	64	36	36
Uniforms/Laundry	100	100	-	38
Gas	200	200	-	-
Tires	500	500	-	-
Maintenance & Repair:				
Equipment	200	-	200	372
Vehicles	300	236	64	71
Office Supplies	600	66	534	724
Departmental Supplies	8,400	417	7,983	10,560
Other Department Supplies	25,500	298	25,202	24,683
Miscellaneous	300	91	209	49
Travel	2,700	653	2,047	1,562
Telephone	68,000	1,339	66,661	54,744
Data Transmission/WAN	49,000	2,358	46,642	46,560
Professional Services/Programming	5,700	3,790	1,910	18,427
Contracted Services	134,500	3,541	130,959	78,466
Training	1,000	242	758	3,910
Insurance & Bonds	800	25	775	721
Dues/Subscriptions	200	50	150	-
Software License Fees	28,500	5,829	22,671	19,321
C/O Equipment - Depreciable	34,600	29	34,571	121,060
C/O Equipment - Nondepreciable	41,900	74	41,826	53,684
Reimbursement - Proprietary Fund	(242,400)	37,239	(279,639)	(235,599)
Total	417,800	60,395	357,405	435,759
Total General Government	2,437,300	319,785	2,117,515	2,073,414

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022		2021	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Public Safety:				
Police Department:				
Salaries & Wages:				
Regular Salaries	2,416,200	41,626	2,374,574	1,980,296
Regular Salaries - CARES Act	-	-	-	219,445
Overtime	31,000	15,853	15,147	23,476
Uniforms	6,500	-	6,500	6,500
Police Security	72,000	788	71,212	54,818
Specialist Pay	48,400	(663)	49,063	22,108
Part-Time & Temporary	51,000	2,096	48,904	34,804
Police Pension	209,000	353	208,647	190,377
Total Salaries & Wages	2,834,100	60,053	2,774,047	2,531,824
State Retirement Expense	-	(14,960)	14,960	211,219
State Retirement Expense - CARES Act	-	-	-	23,920
FICA	205,100	8,424	196,676	162,634
FICA - CARES Act	-	-	-	16,787
Retirement Expense	298,800	15,401	283,399	14,073
Group Insurance	817,500	-	817,500	712,644
Group Insurance - CARES Act	-	-	-	66,528
Life/AD&D/Disability Insurance	29,300	1,055	28,245	26,140
Life/AD&D/Disability Insurance - CARES Act	-	-	-	309
Insurance & Bonds/WC	65,100	8,359	56,741	52,996
Insurance & Bonds/WC - CARES Act	-	-	-	10,348
Employee Incentive	3,500	2,348	1,152	1,042
401(k) Contributions	127,900	1,531	126,369	104,341
401(k) Contributions - CARES Act	-	-	-	10,972
Professional Services	5,000	(540)	5,540	8,207
OSHA Hepatitis B	500	500	-	-
Informants Fees	10,000	(2,637)	12,637	13,690
Laundry & Dry Cleaning	1,000	710	290	87
Safety Equipment	61,900	3,993	57,907	41,665
Gas	95,800	15,134	80,666	92,740
Tires	15,000	(913)	15,913	12,140
Maintenance & Repair:				
Equipment	5,000	3,208	1,792	4,049
Vehicles	60,000	9,192	50,808	66,837
Radios	15,000	3,660	11,340	2,276
Other Supplies - Vehicles	200	200	-	-
Office Supplies	2,700	285	2,415	4,061
Departmental Supplies	93,800	14,366	79,434	49,646
Firing Range Supplies	500	405	95	415
K-9	11,000	526	10,474	8,642
Humane Officer Supplies	35,000	(2,493)	37,493	29,838
DARE Program Supplies	8,500	3,563	4,937	3,677
Small Tools	200	200	-	-
Miscellaneous	2,000	685	1,315	4,164
Travel	22,500	3,327	19,173	1,304
Tow Charges	9,000	4,765	4,235	6,275
Printing	1,000	885	115	-
Advertising	200	76	124	72
Professional Services/Programming	200	147	53	100
Contracted Services	190,200	21,317	168,883	67,718
Contracted Serv - Project Safe Rock. Co.	24,400	4,108	20,292	19,879
Training	15,100	5,668	9,432	4,984
Insurance & Bonds	46,800	86	46,714	44,567
Dues & Subscriptions	3,200	1,700	1,500	1,293

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022		2021	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Public Safety: (Continued)				
Police Department : (Continued)				
Capital Outlay:				
Building Improvements - Depreciable	8,400	8,400	-	-
Bldg Imprv - Drug Forf - Depreciable	31,800	3,870	27,930	-
Vehicles - Depreciable	57,800	5,550	52,250	381,591
Equipment - Depreciable	-	-	-	5,799
Equipment - NonDepreciable	-	-	-	31,205
Equip - Drug Forf - Non-Depreciable	-	-	-	3,000
Total Police Department	5,215,000	192,154	5,022,846	4,855,698
Fire Department:				
Salaries & Wages:				
Regular Salaries	1,062,300	239,829	822,471	739,158
Specialist Pay	4,800	222	4,578	1,760
Part-Time	122,000	3,341	118,659	109,353
Volunteers	2,800	2,142	658	1,561
Total Salaries & Wages	1,191,900	245,534	946,366	851,832
Firemen & Rescue Squad Workers				
Pension Fund	18,500	21,941	(3,441)	14,046
FICA	91,100	21,143	69,957	62,404
Retirement Expense	123,400	29,333	94,067	75,528
Group Insurance	338,100	85,685	252,415	253,200
Life/AD&D/Disability Insurance	30,500	20,972	9,528	24,254
Insurance & Bonds/WC	64,400	18	64,382	55,425
Employee Incentives	300	-	300	275
401 (k) Contributions	54,400	12,266	42,134	37,026
Professional Services	28,000	3,478	24,522	8,032
Uniforms	13,500	2,930	10,570	6,872
Safety Equipment	3,000	2,539	461	471
Gas	16,000	1,343	14,657	10,670
Tires	7,000	5,869	1,131	3,425
Maintenance & Repair:				
Radios	1,800	413	1,387	362
Building	10,000	3,217	6,783	7,600
Equipment	9,000	3,319	5,681	7,694
Vehicles	26,000	13,268	12,732	27,780
Office Supplies	1,800	1,227	573	1,632
Departmental Supplies	18,000	1,106	16,894	5,058
Fire Prevention Program	2,500	2,343	157	-
Miscellaneous	1,000	785	215	4,607
Utilities - Gas	9,800	422	9,378	8,306
- Power	18,500	(240)	18,740	16,990
Printing	600	48	552	-
Advertising	800	19	781	2,430
Contracted Services	16,000	(371)	16,371	6,280
Training	-	-	-	-
Insurance & Bonds	26,100	144	25,956	23,701
Dues & Subscriptions	5,500	2,434	3,066	5,289
Capital Outlay:				
Vehicles	-	-	-	1,354,000
Equipment Depreciable	5,400	5	5,395	-
Equipment Non-Depreciable	18,100	1,669	16,431	23,948
Total Fire Department	2,151,000	482,859	1,668,141	2,899,137
Total Public Safety	7,366,000	675,013	6,690,987	7,754,835

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Transportation:				
Street Department:				
Regular Salaries	652,600	7,815	644,785	619,858
Overtime	10,000	2,742	7,258	5,431
Temporary Salaries	25,000	647	24,353	21,247
Total Salaries & Wages	687,600	11,204	676,396	646,536
FICA	55,500	5,719	49,781	47,431
Retirement Expense	77,800	3,467	74,333	63,795
Group Insurance	204,300	-	204,300	204,300
Life/AD&D/Disability Insurance	6,800	244	6,556	6,133
Insurance & Bonds/WC	20,000	1,464	18,536	21,176
Employee Incentives	1,500	1,090	410	201
401 (k) Contributions	34,400	1,804	32,596	31,222
Professional Services	2,500	194	2,306	3,480
Laundry & Dry Cleaning	3,000	1,165	1,835	1,602
Safety Equipment	7,000	639	6,361	4,934
Landscaping Supplies	10,000	409	9,591	7,850
Gas	38,000	7,122	30,878	36,021
Tires	10,000	34	9,966	4,972
Maintenance & Repair:				
Building	6,200	394	5,806	1,606
Equipment	2,500	2,100	400	2,133
Vehicles	86,500	2,098	84,402	74,732
Driveway Pipe	5,000	1,391	3,609	8,758
Patching	42,800	9,869	32,931	49,298
Sidewalks	25,000	776	24,224	8,964
Signs	13,000	191	12,809	14,058
Storm Drains	44,500	1,265	43,235	21,087
Curb and Gutter	10,600	(699)	11,299	3,097
Office Supplies	1,000	690	310	718
Departmental Supplies	3,500	338	3,162	346
Small Tools & Equipment	4,000	3,423	577	3,435
Miscellaneous	12,700	393	12,307	12,713
Travel	200	200	-	-
Utilities - Gas	700	201	499	656
- Power	13,000	(208)	13,208	10,159
Street Lights	280,000	25,408	254,592	255,399
Advertising	1,900	(98)	1,998	3,067
Contracted Services	100,500	5,177	95,323	18,137
Training	2,200	1,137	1,063	-
Equipment Rental	8,000	101	7,899	5,917
Other Supplies	2,500	376	2,124	-
Insurance & Bonds	24,000	74	23,926	21,705
Dues & Subscriptions	500	272	228	-
Easements	3,700	300	3,400	1,575
C/O Improvements Stadium Dr Sidewalk	7,300	(4,216)	11,516	27,223
C/O Improvements	4,500	4,500	-	-
C/O Equipment - Depreciable	99,900	-	99,900	199,287
Purchases for Inventory - Snow Removal	1,200	80	1,120	4,801
Reimbursement - Proprietary Fund	(318,100)	30,010	(348,110)	(282,792)
Total	1,647,700	120,098	1,527,602	1,545,732
Street Department				
Powell Bill - Contracted Services	445,000	2,779	442,221	430,700
Street Resurfacing - Contracted Services	-	-	-	268,653
Total Transportation	2,092,700	122,877	1,969,823	2,245,085

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
City Garage:				
Salaries & Wages:				
Regular Salaries	274,000	3,220	270,780	237,325
Overtime	500	500	-	-
Total Salaries & Wages	274,500	3,720	270,780	237,325
FICA	19,900	235	19,665	16,960
Retirement Expense	31,200	324	30,876	24,254
Group Insurance	91,800	-	91,800	91,800
Life/AD&D/Disability Insurance	3,000	65	2,935	2,773
Insurance & Bonds/WC	5,100	918	4,182	5,699
Employee Incentives	6,000	4,091	1,909	711
401 (k) Contributions	13,800	261	13,539	11,866
Professional Services	3,200	(176)	3,376	314
Shop Supplies	500	500	-	-
Uniforms/Laundry	1,500	810	690	1,131
Safety Equipment	2,000	214	1,786	2,932
Gas	2,000	722	1,278	1,396
Tires	800	800	-	-
Maintenance & Repair:				
Building	900	(6)	906	3,064
Gate	1,000	14	986	
Equipment	8,100	(406)	8,506	4,652
Vehicles	1,800	52	1,748	555
Office Supplies	800	437	363	290
Departmental Supplies	600	55	545	221
Vending Supplies - PW	4,500	77	4,423	5,150
Small Tools	1,500	795	705	834
Miscellaneous	1,000	670	330	976
Travel	1,800	1,800	-	-
Utilities:				
Electric	3,500	(63)	3,563	3,169
Body Utilities	1,600	252	1,348	1,493
Gas	2,000	383	1,617	1,726
Printing	300	20	280	135
Hazardous Disposal	1,000	426	574	578
Advertising	-	-	-	930
Contracted Services	4,200	1,588	2,612	6,363
Training	2,500	1,861	639	537
Insurance & Bonds	4,100	126	3,974	4,332
Dues & Subscriptions	300	72	228	-
C/O Equipment - Depreciable	5,900	69	5,831	-
C/O Equipment - Nondepreciable	-	-	-	4,250
Inventory Purchases - Fuel	443,000	33,915	409,085	240,674
Issues Fuel Inventory	(248,000)	2,530	(250,530)	(272,396)
Inventory Purchases - Tires	67,400	3,077	64,323	48,483
Issues Tire Inventory	(50,000)	2,480	(52,480)	(47,795)
Inventory Purchases - Parts	370,600	30,828	339,772	202,931
Issues Parts Inventory	(275,000)	35,004	(310,004)	(213,190)
Reimbursement - Proprietary Fund	(118,100)	66,288	(184,388)	(97,649)
Total	692,600	194,828	497,772	297,474

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Facilities & Grounds:				
Facilities & Grounds:				
Regular Salaries	351,300	1,263	350,037	318,311
Overtime	3,600	1,451	2,149	14
Temporary/Part-Time	27,000	2,639	24,361	26,461
Total Salaries & Wages	381,900	5,353	376,547	344,786
FICA	29,300	173	29,127	25,105
Retirement Expense	42,600	106	42,494	32,519
Group Insurance	122,600	-	122,600	122,600
Life/AD&D/Disability Insurance	4,200	29	4,171	3,798
Insurance & Bonds/WC	6,100	73	6,027	6,108
Employee Incentives	1,600	79	1,521	620
401 (k) Contributions	19,100	518	18,582	15,916
Professional Services	1,000	952	48	502
Laundry & Dry Cleaning	3,900	209	3,691	2,963
Safety Equipment	2,000	1,415	585	1,176
Landscaping Supplies	26,000	608	25,392	24,600
Gas	15,000	1,482	13,518	16,684
Tires	2,000	1,402	598	835
Maintenance & Repair:				
Vehicles	7,500	2,320	5,180	9,093
Equipment	11,000	244	10,756	7,223
Buildings	129,000	1,975	127,025	128,364
Greenways	94,000	140	93,860	20,191
Office Supplies	1,000	153	847	240
Departmental Supplies	26,000	1,436	24,564	19,430
Vending Supplies	3,000	792	2,208	2,022
Small Tools & Equipment	2,500	1,197	1,303	1,757
Miscellaneous	1,000	506	494	108
Travel	-	-	-	205
Utilities - Gas	20,000	457	19,543	14,247
- Electric	55,000	7,730	47,270	40,762
Advertising	-	-	-	610
Contracted Services	44,000	2,003	41,997	94,756
Training	1,000	467	533	738
Insurance & Bonds	8,000	246	7,754	7,316
Dues/ Subscriptions	200	200	-	152
C/O Equipment - Depreciable	-	-	-	10,953
C/O Equipment - Nondepreciable	-	-	-	2,194
Reimbursement - Proprietary Fund	(413,700)	131,314	(545,014)	(424,889)
Total	646,800	163,579	483,221	533,684

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Environmental Protection:				
Solid Waste:				
Regular Salaries	365,400	841	364,559	357,798
Overtime	10,000	79	9,921	7,233
Temporary/Part-Time	<u>28,000</u>	<u>489</u>	<u>27,511</u>	<u>25,958</u>
Total Salaries & Wages	403,400	1,409	401,991	390,989
FICA	29,500	200	29,300	28,494
Retirement Expense	43,300	608	42,692	37,316
Group Insurance	129,300	-	129,300	143,000
Life/AD&D/Disability Insurance	4,700	60	4,640	4,746
Insurance & Bonds/WC	17,100	1,899	15,201	16,470
Employee Incentives	500	210	290	169
401 (k) Contributions	19,000	276	18,724	18,252
Professional Services	1,200	95	1,105	1,465
Laundry & Dry Cleaning	2,000	1,235	765	1,632
Safety Equipment	3,000	638	2,362	3,595
Refuse Collection Supplies	30,000	138	29,862	7,688
Recycle Grant Expense	-	-	-	21,525
Gas	60,000	8,678	51,322	62,880
Tires	21,000	1,282	19,718	20,796
Maintenance & Repair:				
Vehicles	90,000	(2,012)	92,012	72,233
Equipment	4,000	3,941	59	3,388
Building	7,500	6,215	1,285	3,106
Office Supplies	500	484	16	87
Departmental Supplies	800	264	536	503
Small Tools & Equipment	600	372	228	203
Miscellaneous	5,000	2,271	2,729	3,083
Travel	2,100	2,100	-	-
Utilities:				
Gas	700	201	499	656
Power	6,500	280	6,220	5,489
Printing	800	800	-	-
Advertising	5,000	1,796	3,204	5,589
Contracted Services	350,400	9,632	340,768	368,678
Training	2,100	2,100	-	460
Equipment Rental	2,000	2,000	-	-
Containers - Commercial	501,900	1,832	500,068	459,627
Insurance & Bonds	23,600	3	23,597	23,525
Dues/ Subscriptions	<u>2,200</u>	<u>1,552</u>	<u>648</u>	<u>2,146</u>
Total	<u>1,769,700</u>	<u>50,559</u>	<u>1,719,141</u>	<u>1,707,790</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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Cultural and Recreational:				
Recreation Department:				
Salaries - Regular	278,800	13,684	265,116	344,802
Overtime	1,800	14	1,786	348
Part-Time	37,500	16,559	20,941	9,452
Temporary	75,000	(4,586)	79,586	52,168
Total Salaries & Wages	393,100	25,671	367,429	406,770
FICA	28,900	1,713	27,187	29,940
Retirement Expense	30,900	411	30,489	35,217
Group Insurance	78,200	-	78,200	109,000
Life/AD&D/Disability Insurance	2,400	63	2,337	3,276
Insurance & Bonds/WC	6,100	1,090	5,010	5,882
Employee Incentives	800	700	100	100
401 (k) Contributions	13,600	232	13,368	17,257
Professional Services - Medical	1,000	(1,709)	2,709	1,555
Professional Services	-	-	-	168
Laundry & Dry Cleaning	300	300	-	464
Safety Equipment	1,000	1,000	-	-
Gas	3,200	946	2,254	1,479
Tires	1,000	1,000	-	-
Maintenance & Repair:				
Building	9,000	8,755	245	5,909
Pool	99,000	(4,359)	103,359	220
Equipment	5,000	4,991	9	-
Vehicles	3,500	433	3,067	1,221
Office Supplies	2,000	90	1,910	2,657
Departmental Supplies	12,000	(1,058)	13,058	901
Pool Supplies	7,500	3,390	4,110	6,694
Dixie Youth Tournament	20,100	58	20,042	-
Program Activities	63,200	6,725	56,475	4,451
Senior Citizens	47,000	6,305	40,695	38,696
Small Tools & Equipment	200	200	-	-
Miscellaneous	3,700	451	3,249	390
Travel	1,000	1,000	-	-
Utilities:				
Gas	14,000	1,033	12,967	11,676
Power	60,000	(104)	60,104	52,298
Pool	4,000	1,654	2,346	3,090
Dumpster	5,900	65	5,835	4,759
Printing	500	500	-	-
Advertising	4,000	102	3,898	2,969
Contracted Services	1,500	539	961	861
Training	500	500	-	-
Rents	2,000	50	1,950	2,925
Insurance & Bonds	10,500	323	10,177	9,644
Dues & Subscriptions	1,700	1,169	531	952
Fourth of July Celebration	5,000	-	5,000	-
C/O Equipment - Nondepreciable	-	-	-	2,774
Purchases for Inventory:				
Splash Pad	6,000	1,131	4,869	5,376
Bridge Street	1,500	645	855	528
Draper Center	3,000	1,752	1,248	557
Mill Avenue Pool	3,000	210	2,790	4,863
Freedom Park	16,000	4,294	11,706	2,860
Total Operating Expenses	972,800	72,261	900,539	778,379
Capital Outlay:				
Land Improvements	64,000	7,840	56,160	15,000
Capital Outlay	64,000	7,840	56,160	15,000
Total Cultural & Recreation	1,036,800	80,101	956,699	793,379

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, 2022
 (With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit B-2

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Special Appropriations:				
Contributions to Library	2,600	-	2,600	2,600
Contributions to Chamber of Commerce	20,000	-	20,000	20,000
Contributions to Rescue Squad	12,000	-	12,000	12,000
Contributions to Board of Elections	14,900	33	14,867	-
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	7,300	40	7,260	774
Grogan Park	92,400	78,708	13,692	13,303
Building Reuse Grant - Gildan	-	-	-	9,224
Performance/Incentive Agreements	-	-	-	500,000
	<u>20,400</u>	<u>554</u>	<u>19,846</u>	<u>21,086</u>
Total Special Appropriations	<u>176,200</u>	<u>79,335</u>	<u>96,865</u>	<u>585,587</u>
Debt Service				
Principal Retirement - Info Technology	166,400	52	166,348	24,745
Interest	6,400	73	6,327	3,312
Principal Retirement - Street	445,800	65	445,735	79,263
Interest	24,100	60	24,040	9,653
Principal Retirement - Powell Bill	65,900	46	65,854	64,168
Interest	24,100	19	24,081	25,768
Principal Retirement - Police	550,900	1,461	549,439	79,371
Interest	11,800	3,080	8,720	5,770
Principal Retirement - Fire	203,500	91	203,409	159,749
Interest	51,800	470	51,330	20,872
Principal Retirement - Facilities & Grnds	333,700	742	332,958	108,477
Interest	13,400	57	13,343	9,828
Principal Retirement - Solid Waste	537,900	74	537,826	216,043
Interest	18,500	28	18,472	15,726
Principal Retirement - Recreation	43,800	42	43,758	10,373
Interest	2,800	70	2,730	1,158
Principal Retirement - 2008 Loan	149,100	96	149,004	171,166
Interest	28,600	48	28,552	27,624
	<u>2,678,500</u>	<u>6,574</u>	<u>2,671,926</u>	<u>1,033,066</u>
Non Departmental				
Bad Debt Expense	-	(144,419)	144,419	(49,419)
	-	(144,419)	144,419	(49,419)
Total Expenditures	<u>18,896,600</u>	<u>1,548,233</u>	<u>17,348,367</u>	<u>16,974,895</u>
Revenues Over (Under) Expenditures	<u>(2,910,600)</u>	<u>2,429,588</u>	<u>(481,012)</u>	<u>(233,396)</u>
Other Financing Sources (Uses):				
Operating Transfers from Other Funds:				
ARPA Fund	567,800	(110,839)	456,961	-
Fire Training Facility	-	-	-	40,702
Total	<u>567,800</u>	<u>(110,839)</u>	<u>456,961</u>	<u>40,702</u>
Proceeds from Installment Purchases	<u>165,000</u>	<u>(165,000)</u>	<u>-</u>	<u>1,942,892</u>
Fund Balance Appropriated	<u>2,177,800</u>	<u>(2,177,800)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,910,600</u>	<u>(2,453,639)</u>	<u>456,961</u>	<u>1,983,594</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>(24,051)</u>	<u>(24,051)</u>	<u>1,750,198</u>
Fund Balances:				
Beginning of Year, July 1			<u>12,402,155</u>	<u>10,651,957</u>
End of Year, June 30			<u>12,378,104</u>	<u>12,402,155</u>

City of Eden, North Carolina
 ARPA Fund
 Comparative Balance Sheets
 Major Governmental Funds
 June 30, 2022 and 2021

Exhibit B-3

	June 30, 2022	June 30, 2021
Assets:		
Cash and Cash Equivalents	1,745,780	-
Due from Other Funds	53,643	-
 Total Assets	 1,799,423	 -
Liabilities and Fund Balance:		
Liabilities		
Unearned Revenue	1,791,275	-
Fund Balances:		
Restricted	8,148	-
 Total Liabilities and Fund Balances	 1,799,423	 -

City of Eden, North Carolina
 ARPA Fund
 Schedule of Revenues and Expenditures
 Budget and Actual (NON GAAP)
 From Inception and For Fiscal Year Ended June 30, 2022

Exhibit B-4

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2021</u>	<u>Year Ended June 30, 2022</u>	<u>Total Inception to June 30, 2022</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted Intergovernmental Revenues					
American Rescue Plan Act	4,360,000	-	580,790	580,790	(3,779,210)
Interest Income	-	-	8,148	8,148	8,148
Total Revenues	<u>4,360,000</u>	<u>-</u>	<u>588,938</u>	<u>588,938</u>	<u>(3,771,062)</u>
Expenditures:					
ARPA Allowable Expenditures	<u>3,663,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,663,100</u>
Total Expenditures	<u>3,663,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,663,100</u>
Revenues Over (Under) Expenditures	<u>696,900</u>	<u>-</u>	<u>588,938</u>	<u>588,938</u>	<u>(107,962)</u>
Other Financing Sources/(Uses):					
Transfer to General Fund	(567,800)	-	(456,961)	(456,961)	110,839
Transfer to Water & Sewer Fund	(129,100)	-	(123,829)	(123,829)	5,271
	<u>(696,900)</u>	<u>-</u>	<u>(580,790)</u>	<u>(580,790)</u>	<u>116,110</u>
Net Change in fund balance	<u>-</u>	<u>-</u>	<u>8,148</u>	<u>8,148</u>	<u>8,148</u>
Fund Balance					
Beginning of Year, July 1			<u>-</u>		
End of Year, June 30			<u>8,148</u>		

City of Eden, North Carolina
Combining Balance Sheets
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2022
(With Comparative Total Amounts as of June 30, 2021)

Exhibit B-5

	CDBG Housing	Municipal Service District Tax	Total Non-Major Governmental Funds	
			June 30 2022	June 30 2021
Assets				
Current Assets:				
Cash and Cash Equivalents	(11,152)	50,176	39,024	48,549
Accounts Receivable	-	-	-	2,542
Deferred Outflows	-	-	-	52
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>(11,152)</u>	<u>50,176</u>	<u>39,024</u>	<u>51,143</u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	-	-	-	1,487
Due to Other Funds	-	-	-	5,293
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	-	6,780
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances:				
Restricted - Economic Development	(11,152)	50,176	39,024	44,363
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(11,152)	50,176	39,024	44,363
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>(11,152)</u>	<u>50,176</u>	<u>39,024</u>	<u>51,143</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, 2022
(With Comparative Total Amounts as of June 30, 2021)

Exhibit B-6

			Total Non-Major Governmental Funds	
	CDBG Draper Housing	Municipal Service District Tax	June 30 2022	June 30 2021
Revenues:				
Ad Valorem Taxes		11,665	11,665	10,683
Grants	66,928	-	66,928	15,200
Investment Earnings	-	148	148	201
Total Revenues	66,928	11,813	78,741	26,084
Expenditures:				
Public Safety	-	-	-	49,159
Economic & Physical Development	78,080	6,000	84,080	17,157
Total Expenditures	78,080	6,000	84,080	66,316
Revenues and other Sources Over (Under) Expenditures	(11,152)	5,813	(5,339)	(40,232)
Other Financing Sources (Uses):				
Loan Proceeds	-	-	-	-
Transfer to General Fund	-	-	-	(40,702)
Net change in fund balance	(11,152)	5,813	(5,339)	(80,934)
Fund Balances:				
Beginning of Year, July 1	-	44,363	44,363	125,297
End of Year, June 30	(11,152)	50,176	39,024	44,363

City of Eden, North Carolina
 CDBG - Draper Housing
 Comparative Balance Sheets
 Governmental Funds
 June 30, 2022 and 2021

Exhibit C-1

	June 30, 2022	June 30, 2021
Assets:		
Cash and Cash Equivalents	(11,152)	4,238
Accounts Receivable	-	2,542
Total Assets	(11,152)	6,780
Liabilities and Fund Balance:		
Liabilities		
Accounts Payable	-	1,487
Due to Other Funds	-	5,293
	-	6,780
Fund Balances:		
Restricted - Economic Development	(11,152)	-
Total Liabilities and Fund Balances	(11,152)	6,780

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, 2022

Exhibit C-2

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2021</u>	<u>Year Ended June 30, 2022</u>	<u>Total Inception to June 30, 2022</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
CDBG - Draper Housing	750,000	15,200	7,660	22,860	(727,140)
CDBG - COVID	900,000	-	44,068	44,068	(855,932)
	<u>1,650,000</u>	<u>15,200</u>	<u>51,728</u>	<u>66,928</u>	<u>(1,583,072)</u>
Expenditures:					
CDBG - Draper Housing	750,000	15,200	7,733	22,933	727,067
CDBG - COVID	900,000	-	55,147	55,147	844,853
	<u>1,650,000</u>	<u>15,200</u>	<u>62,880</u>	<u>78,080</u>	<u>1,571,920</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(11,152)</u>	<u>(11,152)</u>	<u>(11,152)</u>

City of Eden, North Carolina
Municipal Service District Tax
Comparative Balance Sheets
As of June 30, 2022 and 2021

Exhibit C-3

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Assets:		
Cash and Investments	50,176	44,311
Deferred Outflows		<u>52</u>
Total Assets	<u>50,176</u>	<u>44,363</u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable and Retainage Payable	<u>-</u>	<u>-</u>
Fund Balance:		
Restricted for Municipal Services	<u>50,176</u>	<u>44,363</u>
Total Liabilities and Fund Equity	<u>50,176</u>	<u>44,363</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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit C-4

	2022			2021
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Revenues:				
Ad Valorem Taxes:				
Current Year - Leaksville	8,000	1,124	9,124	8,454
Current Year - Draper	1,900	(12)	1,888	1,804
Prior Year - Leaksville	-	431	431	251
Prior Year - Draper	-	101	101	89
Interest Income from Tax Collections:				
Current Year - Leaksville	-	31	31	21
Current Year - Draper	-	15	15	23
Prior Year - Leaksville	-	50	50	32
Prior Year - Draper	-	25	25	9
Interest Income	100	48	148	201
 Total Revenues	10,000	1,813	11,813	10,884
 Expenditures:				
Economic & Physical Development:				
Leaksville	8,500	5,000	3,500	1,957
Draper	2,000	(500)	2,500	-
 Total Expenditures	10,500	4,500	6,000	1,957
 Revenues Over (Under) Expenditures	(500)	6,313	5,813	8,927
 Other Financing Sources (Uses):				
Fund Balance Appropriated	500	(500)	-	-
 Excess of Revenues and Other Sources Over/(Under) Expenditures	-	5,813	5,813	8,927
 Fund Balance				
Beginning of Year, July 1			44,363	35,436
End of Year, June 30			50,176	44,363

City of Eden, North Carolina
Water and Sewer Fund
Comparative Balance Sheets
As of June 30, 2022 and 2021

Exhibit D-1

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Assets:		
Current Assets:		
Cash and Investments	4,060,901	3,837,856
Cash - Restricted Deposits	366,045	365,420
Accounts Receivable (net of estimated uncollectible accounts in the amount of \$841,908 and \$799,744 respectively)	396,153	465,437
Other Receivables	232,454	3,620,288
Inventory	385,946	300,528
Unbilled Water Receivables	989,785	1,100,225
Prepaid Expenses	8,284	4,564
Total Current Assets	<u>6,439,568</u>	<u>9,694,318</u>
Non Current Assets:		
Capital Assets Net of Accumulated Depreciation	74,085,724	72,081,715
Total Assets	<u>80,525,292</u>	<u>81,776,033</u>
Deferred Outflows of Resources - Contribution to Pension Plan	649,278	533,424
Deferred Outflows of Resources - OPEB	868,110	503,298
Total Deferred Outflows of Resources	<u>1,517,388</u>	<u>1,036,722</u>
Total Assets and Deferred Outflows of Resources	<u><u>82,042,680</u></u>	<u><u>82,812,755</u></u>
Liabilities and Net Position:		
Current Liabilities:		
Accounts Payable and Retainage Payable	809,848	1,694,968
Due to grantor's agency	230,397	230,397
Bonds and Installment Purchases Payable - Current Maturities	734,307	2,005,274
Due to Other Funds	4,505	11,407
Customer Deposits	366,045	365,420
Total Current Liabilities	<u>2,145,102</u>	<u>4,307,466</u>
Other Liabilities:		
Accrued Vacation Pay	147,319	153,550
Compensated Absences	23,542	-
Total OPEB Liability	2,581,107	1,832,950
Net Pension Liability	419,150	967,741
Bonds and Installment Purchases Payable - Long-Term Portion	15,269,267	14,925,006
Total Other Liabilities	<u>18,440,385</u>	<u>17,879,247</u>
Total Liabilities	<u>20,585,487</u>	<u>22,186,713</u>
Deferred Inflows of Resources:		
Other Deferred Inflows of Resources	-	-
OPEB Deferrals	58,942	83,355
Pension Deferrals	598,844	10
Total Deferred Inflows of Resources	<u>657,786</u>	<u>83,365</u>
Net Position in Water & Sewer Fund	<u>60,799,407</u>	<u>60,542,677</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>82,042,680</u></u>	<u><u>82,812,755</u></u>

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues, Expenses, and Changes in Net Position
For Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-2

	2022	2021
Operating Revenue:		
Water Sales	4,387,428	4,544,972
Sewer Charges	4,681,541	5,114,339
Water Tap Fees	29,553	8,158
Reconnection Fees	292,310	232,407
Sewer Tap Fees	3,760	5,832
Pretreatment Sewer Charges	51,880	59,100
Other Operating Income	64,165	53,262
Application Fees	16,890	18,355
	9,527,527	10,036,425
Less: Discounts and Leak Adjustments	(105,337)	(84,210)
Total Operating Revenue	9,422,190	9,952,215
Operating Expenses		
W/S Administration	-	380,534
Billing and Collections	373,891	461,708
Water Filtration	1,190,598	1,146,924
Maintenance	1,683,751	1,759,689
Waste Treatment	1,283,514	1,188,373
Water and Sewer Resources	640,686	565,357
Depreciation Expense	2,323,325	2,484,248
Pension Expense	(65,611)	129,002
Non-Departmental	2,556,538	1,827,634
OPEB Expense	358,932	(77,609)
Bad Debt Expense	42,146	87,494
Sewer Construction Maintenance	-	19,830
	10,387,770	9,973,184
Total Operating Expenses	10,387,770	9,973,184
Net Operating Income (Loss)	(965,580)	(20,969)
Non-Operating Income:		
Interest Income:		
Water and Sewer Operating Fund	23,510	29,476
Class Action - Liquid Sulfate	1,480	140,529
Sale of Fixed Assets	1,475	10,574
Sale of Surplus Property	127	-
Miscellaneous	-	10,876
Insurance Proceeds	6,437	8,303
	33,029	199,758
Non-Operating Deductions:		
Interest Expense	118,122	143,787
Capital Contributions:		
Duke Energy Reimbursement	-	14,680
SAP Grant - Sewer Line Smith River RR	-	310,000
NC Connect Bond Grant	532,762	3,228,444
EDA Grant	-	147,497
Drinking Water Reserve Grant	350,894	169,388
Special Appropriation Grant	289,376	710,624
Transfer from ARPA Fund	134,371	-
	1,307,403	4,580,633
Change in Net Position	256,730	4,615,635
Total Net Position in Water and Sewer, Beginning of Year	60,542,677	55,927,042
Net Position in Water and Sewer, End of Year	60,799,407	60,542,677

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Cash Flows
For Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-3

	2022	2021
Cash Flows from Operating Activities:		
Cash Received from Customers	12,989,747	7,950,979
Cash Paid for Goods and Services	(6,712,918)	(4,884,541)
Cash Paid to Employees	(2,015,153)	(2,209,522)
Customer Deposits Received	83,275	82,590
Customer Deposits Returned	(82,650)	(65,780)
Net Cash Provided by Operating Activities	4,262,301	873,726
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(4,327,334)	(8,646,487)
Principal Paid on Bond and Installment Purchases	(2,512,149)	(1,964,804)
Interest Paid on Bond and Installment Purchases	(118,122)	(143,787)
Miscellaneous	-	10,878
Insurance Proceeds	6,437	8,303
Proceeds from Sale of Capital Assets	1,475	10,574
Proceeds from Sale of Surplus Property	127	-
Proceeds from NC Connect Bond Grant	532,762	3,228,444
Proceeds from EDA Grant	-	169,388
Proceeds from Drinking Water Reserve Grant	350,894	147,497
Proceeds from General Assembly Appropriation	289,376	710,624
Proceeds from Class Action - Liquid Sulfate	1,480	140,529
Proceeds from Duke Energy Reimbursement	-	14,680
Proceeds from SAP Grant - Sewer Line Smith River RR	-	310,000
Transfer from ARPA Fund	134,371	-
Proceeds from Installment Loan	1,585,443	3,670,934
	(4,055,240)	(2,333,227)
Cash Flows from Non-Capital (Use of Funds)		
Due to/from Other Funds	(6,901)	(40)
Cash Flows from Investing Activities:		
Interest on Investments	23,510	29,476
Net Increase (Decrease) in Cash and Cash Equivalents	223,670	(1,430,065)
Cash and Cash Equivalents:		
Beginning of Year, July 1	4,203,276	5,633,341
End of Year, June 30	4,426,946	4,203,276

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Cash Flows
For Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-3

	2022	2021
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	(965,580)	(20,969)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,323,325	2,484,248
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	69,283	30,070
(Increase) Decrease in Unbilled Water Receivables and Assessments Receivable	110,440	35,588
(Increase) Decrease in Other Receivables	3,387,833	(2,052,215)
(Increase) Decrease in Inventories	(85,417)	(11,481)
(Increase) Decrease in Prepaid Expense	(3,720)	(1,318)
(Increase) Decrease in Deferred Outflows of Resources	(480,666)	(393,176)
Increase (Decrease) in Net Pension Liability	(548,591)	197,883
Increase (Decrease) in Accounts Payable, Retainage Payable, Accrued Liabilities	(885,120)	532,638
Increase (Decrease) in Due to grantor's agency	-	(172,976)
Increase (Decrease) in Customer Deposits	625	16,810
Increase (Decrease) in Accrued Vacation Pay	(6,230)	(3,382)
Increase (Decrease) in Compensated Absences	23,541	-
Increase (Decrease) in Post Employment Benefits	748,157	270,104
Increase (Decrease) in Deferred Inflows of Resources	574,421	(38,098)
Net Cash Provided by Operating Activities	4,262,301	873,726

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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022			2021
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Revenues:				
Charges for Services:				
Water Sales	4,607,000	(219,572)	4,387,428	4,544,972
Sewer Charges	4,995,000	(313,459)	4,681,541	5,114,339
Water Tap Fees	8,000	21,553	29,553	8,158
Reconnection Fees	221,900	70,410	292,310	232,407
Sewer Tap Fees	2,600	1,160	3,760	5,832
Pretreatment Sewer Charges	42,600	9,280	51,880	59,100
Water Service Application Fees	20,000	(3,110)	16,890	18,355
Total Charges for Services	9,897,100	(433,738)	9,463,362	9,983,163
Other Operating Revenues:				
Sale of Materials	2,000	(1,150)	850	-
Miscellaneous Revenue	1,600	6,419	8,019	2,155
Miscellaneous Returned Check Fees	2,200	(475)	1,725	1,625
Equipment Rental	50,700	4,369	55,069	52,355
One-Time Pool Adjustments	(2,000)	502	(1,498)	(2,873)
Civil Penalties	-	-	-	-
Total Other Operating Revenues	54,500	9,665	64,165	53,262
Total Operating Revenues before Leak Adjustments	9,951,600	(424,073)	9,527,527	10,036,425
Less: Leak Adjustments	98,000	(7,337)	105,337	84,210
Total Operating Revenues	9,853,600	(431,410)	9,422,190	9,952,215
Non-Operating Revenues:				
Duke Energy Reimbursement	-	-	-	14,680
SAP Grant - Sewer Line Smith River RR	-	-	-	310,000
Class Action - Liquid Sulfate	-	1,480	1,480	140,529
Interest Earned on Investments	36,900	(13,390)	23,510	29,476
Cash Discounts Earned	100	(100)	-	-
Sales of Capital Assets	-	1,475	1,475	10,574
Sales of Surplus Property	-	127	127	-
Insurance Proceeds	6,400	37	6,437	8,303
Total Non-Operating Revenues	43,400	(10,371)	33,029	513,562
Total Revenue	9,897,000	(441,781)	9,455,219	10,465,777

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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022		2021	
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Expenditures:				
Water and Sewer Administration:				
Salaries & Wages:				
Regular Salaries	-	-	-	203,209
Overtime	-	-	-	-
Part-Time	-	-	-	48,534
Total Salaries & Wages	-	-	-	251,743
FICA	-	-	-	19,319
Retirement Expense	-	-	-	21,124
Group Insurance	-	-	-	55,900
Life/AD&D/Disability Insurance	-	-	-	2,828
Insurance & Bonds W/C	-	-	-	2,457
Employee Incentives	-	-	-	25
401(k) Contribution	-	-	-	10,584
Professional Services	-	-	-	644
Laundry & Dry Cleaning	-	-	-	61
Safety Equipment	-	-	-	45
Gas	-	-	-	265
Tires	-	-	-	178
Maintenance and Repair:				
Vehicles	-	-	-	156
Office Supplies	-	-	-	1,093
Departmental Supplies	-	-	-	800
Miscellaneous	-	-	-	137
Travel	-	-	-	942
Advertising	-	-	-	-
Contracted Services	-	-	-	-
Training	-	-	-	1,931
Insurance & Bonds	-	-	-	5,255
Dues & Subscriptions	-	-	-	5,047
Total	-	-	-	380,534

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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022			2021
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Water and Sewer Resources:				
Salaries & Wages:				
Regular Salaries	413,600	22,458	391,142	345,805
Overtime	8,500	3,164	5,336	4,989
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries & Wages	422,100	25,622	396,478	350,794
FICA	29,700	1,013	28,687	24,970
Retirement Expense	44,800	181	44,619	35,402
Group Insurance	105,400	-	105,400	105,400
Life/AD&D/Disability Insurance	3,100	8	3,092	3,066
Insurance & Bonds W/C	2,500	477	2,023	2,457
Employee Incentives	100	25	75	75
401(k) Contribution	20,500	930	19,570	17,321
Professional Services	3,400	(195)	3,595	305
Laundry & Dry Cleaning	2,000	1,138	862	737
Safety Equipment	2,000	108	1,892	2,140
Gas	6,500	445	6,055	2,459
Maintenance and Repair:			-	
Vehicles	3,000	(816)	3,816	1,410
Equipment	500	434	66	317
Building	700	-	700	489
Office Supplies	500	274	226	30
Departmental Supplies	4,100	380	3,720	2,620
Small Tools and Equipment	1,000	35	965	545
Travel	2,700	(356)	3,056	206
Utilities - Electric	4,000	702	3,298	4,047
Utilities - Gas	2,700	68	2,632	2,111
Training	1,600	680	920	910
Advertising	1,000	235	765	-
Insurance & Bonds	7,800	46	7,754	7,316
Dues & Subscriptions	500	80	420	230
	<hr/>	<hr/>	<hr/>	<hr/>
Total	672,200	31,514	640,686	565,357

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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022			2021
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Billing and Collections:				
Salaries & Wages:				
Regular Salaries	156,200	(71)	156,271	148,245
Part-Time	44,700	7,333	37,367	39,241
Total Salaries & Wages	200,900	7,262	193,638	187,486
FICA	15,300	1,284	14,016	13,709
Retirement Expense	17,500	248	17,252	14,863
Group Insurance	72,900	-	72,900	71,300
Life/AD&D/Disability Insurance	2,500	370	2,130	2,194
Unemployment Insurance	-	-	-	293
Insurance & Bonds W/C	2,100	96	2,004	2,474
401(k) Contributions	7,700	134	7,566	7,287
Professional Services	300	168	132	48
Credit Card Charges	-	-	-	54,216
Bank Service Charges	8,000	696	7,304	4,516
Uniforms/Laundry	600	1	599	304
Safety Equipment	500	327	173	250
Gas	5,600	908	4,692	4,411
Tires	500	214	286	584
Maintenance & Repair:			-	
Vehicles	4,500	2,210	2,290	327
Office Supplies	4,500	863	3,637	3,729
Departmental Supplies	38,200	543	37,657	1,489
Small Tools and Equipment	1,000	709	291	707
Miscellaneous	1,000	983	17	1,153
Postage	42,500	351	42,149	33,169
Printing	6,500	461	6,039	1,978
Dan River Water - Annexation	16,200	5,430	10,770	11,808
Training	-	-	-	70
Contracted Services	4,000	2,625	1,375	3,528
Equipment Rental	2,400	40	2,360	2,360
Insurance & Bonds	1,700	52	1,648	1,546
Dues and Subscriptions	100	100	-	108
C/O Equipment - Non-Depreciable	4,500	11	4,489	17,515
Warehouse Inventory	84,200	63,928	20,272	94,270
Issues from Inventory	(79,000)	2,795	(81,795)	(75,984)
Total	466,700	92,809	373,891	461,708

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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022			2021
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Water Filtration:				
Salaries & Wages:				
Regular Salaries	416,500	13,126	403,374	379,438
Overtime	20,300	7,199	13,101	16,548
Specialist	1,000	1,000	-	-
Total Salaries & Wages	437,800	21,325	416,475	395,986
FICA	33,000	3,281	29,719	29,002
Retirement Expense	48,900	2,889	46,011	40,669
Group Insurance	131,000	-	131,000	133,000
Life/AD&D/Disability Insurance	4,800	412	4,388	4,460
Insurance & Bonds W/C	12,300	2,280	10,020	11,765
Employee Incentives	700	650	50	-
401(k) Contribution	21,600	1,254	20,346	19,905
Professional Services	30,000	8,289	21,711	23,736
Laundry & Dry Cleaning	2,100	997	1,103	330
Safety Equipment	3,000	793	2,207	1,017
Gas	2,000	1,010	990	925
Tires	500	500	-	-
Maintenance & Repair:				
Building	5,000	1,484	3,516	1,734
Equipment	74,400	16,316	58,084	79,496
Vehicles	1,000	751	249	770
Office Supplies	200	74	126	33
Departmental Supplies	47,000	145	46,855	40,647
Chemicals	257,000	45,176	211,824	196,828
Small Tools and Equipment	200	172	28	35
Miscellaneous	-	-	-	12
Travel	5,400	4,082	1,318	-
Utilities:				
Electric	180,000	20,474	159,526	142,225
Advertising	800	800	-	2,070
Contracted Services	500	40	460	430
Employee Training	3,600	172	3,428	1,675
Insurance & Bonds	17,900	551	17,349	16,281
Dues & Subscriptions	3,600	(215)	3,815	3,893
C/O Equipment - Non-Depreciable	-	-	-	-
Total	1,324,300	133,702	1,190,598	1,146,924

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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022			2021
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Maintenance:				
Salaries & Wages:				
Regular Salaries	623,000	32,198	590,802	606,561
Overtime	24,000	6,599	17,401	22,936
Specialist	-	-	-	320
Total Salaries & Wages	647,000	38,797	608,203	629,817
FICA	52,500	6,322	46,178	46,787
Retirement Expense	76,700	5,660	71,040	64,251
Group Insurance	177,100	-	177,100	204,300
Life/AD&D/Disability Insurance	5,700	3	5,697	6,129
Insurance & Bonds W/C	12,700	176	12,524	14,117
Employee Incentive	-	-	-	344
401(k) Contribution	33,800	1,666	32,134	31,438
Professional Services	5,000	2,643	2,357	6,074
Laundry & Dry Cleaning	2,500	419	2,081	1,393
Safety Equipment	8,000	1,825	6,175	10,003
Maintenance & Repair:				
Collection	90,000	7,518	82,482	122,620
Equipment	15,000	14,434	566	19,017
System	4,200	1,292	2,908	525
Building	5,000	(2,269)	7,269	1,609
Vehicles	61,000	3,953	57,047	40,052
Hydrants	2,500	441	2,059	8,475
Distribution System	86,400	(1,462)	87,862	51,133
Metering	11,000	7,750	3,250	10,248
Outfalls	13,000	9,210	3,790	8,562
Taps	65,000	6,196	58,804	22,249
Gas	43,000	4,707	38,293	35,958
Tires	8,000	3,079	4,921	6,841
Office Supplies	1,000	67	933	697
Departmental Supplies	2,000	286	1,714	870
Chemicals	82,000	4,187	77,813	77,635
Small Tools & Equipment	8,500	164	8,336	9,422
Miscellaneous	5,000	4,362	638	4,801
Travel	1,000	980	20	-
Utilities	120,000	11,985	108,015	131,856
Gas	1,000	499	501	656
Printing	1,000	950	50	403
Advertising	-	-	-	126
Contracted Services	128,400	20,109	108,291	157,186
Employee Training	7,000	5,292	1,708	3,655
Equipment Rental	5,000	4,469	531	-
Insurance & Bonds	27,900	859	27,041	26,729
Dues and Subscriptions	3,000	(488)	3,488	3,711
C/O Equipment - Non-Depreciable	35,000	3,068	31,932	-
Total	1,852,900	169,149	1,683,751	1,759,689

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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022			2021
	<u>Budget</u>	Variance Favorable (Unfavorable)	<u>Actual</u>	<u>Actual</u>
Wastewater Treatment:				
Salaries & Wages:				
Regular Salaries	436,000	24,812	411,188	380,905
Overtime	20,000	1,559	18,441	12,031
Specialist	-	-	-	80
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries & Wages	456,000	26,371	429,629	393,016
FICA	33,800	3,074	30,726	28,977
Retirement Expense	50,200	2,253	47,947	40,609
Group Insurance	122,600	-	122,600	122,600
Life/AD&D/Disability Insurance	4,300	170	4,130	4,193
Insurance & Bonds/WC	14,700	2,676	12,024	14,618
Employee Incentives	100	1	99	50
401(k) Contributions	22,100	1,202	20,898	19,934
Professional Services	26,300	8,292	18,008	25,320
Laundry & Dry Cleaning	2,100	37	2,063	922
Safety Equipment	3,400	198	3,202	2,945
Gas	1,500	312	1,188	2,693
Tires	600	600	-	-
Maintenance & Repair:				
Building	3,500	1,368	2,132	1,465
Equipment	37,700	2,515	35,185	48,759
Vehicles	2,000	1,039	961	3,000
Office Supplies	500	132	368	196
Departmental Supplies	15,000	278	14,722	15,654
Chemicals	49,800	10,495	39,305	43,041
Civil Penalties	100	100	-	-
Small Tools & Equipment	800	338	462	77
Miscellaneous	-	-	-	39
Travel	2,000	(1,183)	3,183	-
Utilities	126,000	1,288	124,712	106,327
Printing	200	200	-	178
Advertising	1,300	19	1,281	-
Contracted Services	299,790	(24,373)	324,163	283,223
Employee Training	16,100	(1,974)	18,074	3,281
Insurance & Bonds	18,600	88	18,512	17,363
Dues & Subscriptions	8,500	560	7,940	6,116
C/O Equipment - Non-Depreciable	-	-	-	3,777
	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,319,590	36,076	1,283,514	1,188,373

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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022			2021
	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Actual</u>	<u>Actual</u>
Sewer Construction:				
Professional Services	-	-	-	19,830
Non-Departmental:				
Utility Service Fee - General Fund	2,568,110	11,572	2,556,538	1,827,634
Future Salary Adjustments	20,000	20,000	-	-
Bad Debt Expense	-	(42,146)	42,146	87,494
	<u>2,588,110</u>	<u>(10,574)</u>	<u>2,598,684</u>	<u>1,915,128</u>
Total Operating Expenses	<u>8,223,800</u>	<u>452,676</u>	<u>7,771,124</u>	<u>7,437,543</u>
Capital Outlay:				
Water Filtration:				
Equipment	98,700	7,857	90,843	10,280
Maintenance:				
Building	5,500	5,500	-	-
Equipment	-	-	-	76,805
Wastewater Treatment:				
Vehicles	-	-	-	10,852
Equipment	7,300	71	7,229	-
Water Construction:				
Bridge St WL Upgrade	15,800	7,467	8,333	9,175
Maple Ln WL Upgrade	16,200	4,870	11,330	11,147
Glovenia St WL Upgrade	15,300	1,068	14,232	8,125
NC DOT B-5737 Related WL Repl	17,200	17,200	-	-
Circle Dr Phase 2 WL Repl	25,000	7,247	17,753	11,273
SOVA Megasite WL	7,000	7,000	-	-
Small Booster Pump Station - Jackson	-	-	-	1,208
Maryland Ave WL Replacement	-	-	-	6,125
Circle Dr WL Replacement	23,500	5,747	17,753	10,854
Sewer Construction:				
WWTP North Basin	136,000	54,800	81,200	-
New Street Sewer Improvements	-	-	-	1,671
Spray Outfall - Pipe Replacement	-	-	-	314,650
Total Capital Outlay	<u>367,500</u>	<u>118,827</u>	<u>248,673</u>	<u>472,165</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, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	2022		2021	
	Budget	Variance Favorable (Unfavorable)	Actual	Actual
Debt Service:				
Principal Retirement - Billing & Collections	16,000	25	15,975	5,020
Interest - Billing & Collections	1,200	57	1,143	626
Principal Retirement - Maintenance	623,900	45	623,855	209,906
Interest - Maintenance	36,900	11	36,889	21,911
Principal - 2007 Loan	645,000	3	644,997	620,742
Interest - 2007 Loan	18,800	19	18,781	43,036
Principal - 2008 Loan	465,900	2	465,898	555,382
Interest - 2008 Loan	11,600	25	11,575	31,635
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	17,000	57	16,943	18,355
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 - Mega Park WL	185,400	26	185,374	-
Interest - Mega Park WL	6,900	37	6,863	-
Principal - 2016 Loan	94,500	4	94,496	92,200
Interest - 2016 Loan	26,000	72	25,928	28,224
	<u>2,630,900</u>	<u>629</u>	<u>2,630,271</u>	<u>2,108,591</u>
Total Expenditures	<u>11,222,200</u>	<u>572,132</u>	<u>10,650,068</u>	<u>10,018,299</u>
Revenues Over (Under) Expenditures	<u>(1,325,200)</u>	<u>130,351</u>	<u>(1,194,849)</u>	<u>447,478</u>
Other Financing Sources (Uses)				
Transfer from (to) ARPA Fund	129,100	5,271	134,371	-
	<u>129,100</u>	<u>5,271</u>	<u>134,371</u>	<u>-</u>
Fund Balance Appropriated	<u>1,196,100</u>	<u>(1,196,100)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,325,200</u>	<u>(1,190,829)</u>	<u>134,371</u>	<u>-</u>
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>(1,060,478)</u>	<u>(1,060,478)</u>	<u>447,478</u>

City of Eden, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (NON GAAP)
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit D-4

	Actual	Actual Prior Year
Reconciliation from financial plan basis (modified accrual) to full accrual		
Expenditures Over Revenues and Other Financing Sources	(1,194,849)	447,478
Reconciling Items:		
Debt Principal	2,512,149	1,964,804
Capital Outlay	248,673	472,165
NC Connect Bond Grant - EPA/AOC	532,762	3,228,444
EDA Grant - Mega Park WL	-	169,388
Drinking Water Reserve Grant	350,894	147,497
General Assembly Appropriations	289,376	710,624
Miscellaneous - EPA/AOC	-	10,876
Transfer from ARPA Fund	134,371	-
Depreciation	(2,323,325)	(2,484,248)
Pension Expense	65,611	(129,002)
Other Post Employment Benefits	(358,932)	77,609
Total Reconciling Items	1,451,579	4,168,157
Change in Net Assets	256,730	4,615,635

City of Eden, North Carolina
Mega Park Waterline Project Fund
Comparative Balance Sheets
As of June 30, 2022 and 2021

Exhibit D-5

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Assets:		
Cash and Cash Equivalents	354,135	437,133
Other Receivables	<u>135,351</u>	<u>237,265</u>
Total Assets	<u><u>489,486</u></u>	<u><u>674,398</u></u>
Liabilities and Fund Equities:		
Current Liabilities		
Accounts Payable	112,016	265,089
Other Liabilities	<u>230,397</u>	<u>230,397</u>
Total Liabilities	<u>342,413</u>	<u>495,486</u>
Fund Equities	<u>147,073</u>	<u>178,912</u>
Total Liabilities and Fund Equities	<u><u>489,486</u></u>	<u><u>674,398</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, 2022

Exhibit D-6

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2021</u>	<u>Year Ended June 30, 2022</u>	<u>Total Inception to June 30, 2022</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Drinking Water Reserve Grant	1,018,225	698,295	350,894	1,049,189	30,964
EDA Grant	2,000,000	1,996,446	-	1,996,446	(3,554)
General Assembly Appropriation	1,000,000	710,624	289,376	1,000,000	-
Loan Proceeds - 0% Interest	3,000,000	2,094,883	1,052,680	3,147,563	147,563
Loan Proceeds	54,675	-	-	-	(54,675)
Total Revenues	7,072,900	5,500,248	1,692,950	7,193,198	120,298
Expenditures:					
Mega Park Water Line - Inside City	66,000	65,307	46,166	111,473	(45,473)
Mega Park Water Line - Outside City	7,072,900	5,756,028	1,678,624	7,434,652	(361,752)
Total Expenditures	7,138,900	5,821,335	1,724,790	7,546,125	(407,225)
Revenues Over (Under) Expenditures	(66,000)	(321,087)	(31,840)	(352,927)	(286,927)
Other Financing Sources:					
Contribution for W/S Fund	66,000	500,000	-	500,000	434,000
Net Change in fund balance	-	178,913	(31,840)	147,073	147,073
Fund Balance					
Beginning of Year, July 1			178,913		
End of Year, June 30			147,073		

City of Eden, North Carolina
EPA/AOC Sewer Project Fund
Comparative Balance Sheets
As of June 30, 2022 and 2021

Exhibit D-7

	June 30, 2022	June 30, 2021
Assets:		
Cash and Cash Equivalents	(953,128)	(2,363,609)
Other Receivables	-	3,325,515
Total Assets	(953,128)	961,906
Liabilities and Fund Equities:		
Current Liabilities		
Accounts Payable	318,497	1,344,347
Fund Equities	(1,271,625)	(382,441)
Total Liabilities and Fund Equities	(953,128)	961,906

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, 2022

Exhibit D-8

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2021</u>	<u>Year Ended June 30, 2022</u>	<u>Total Inception to June 30, 2022</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
NC Connect Bond Grant	16,666,000	5,444,763	532,762	5,977,525	(10,688,475)
NC Connect Bond Loan	15,000,000	5,444,762	532,761	5,977,523	(9,022,477)
Miscellaneous Revenue	-	10,876	-	10,876	10,876
	<u>31,666,000</u>	<u>10,900,401</u>	<u>1,065,523</u>	<u>11,965,924</u>	<u>(19,700,076)</u>
Total Revenues					
Expenditures:					
Temp Rainfall/Flow Monitoring	15,000	-	-	-	15,000
Professional Services	1,500,000	3,608,148	546,490	4,154,638	(2,654,638)
Post Construction 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	1,489,887	640,150	2,130,037	116,863
Bridge St Basin Rehab	9,355,600	47,031	321,300	368,331	8,987,269
Junction Basin Rehab	4,425,700	-	75,117	75,117	4,350,583
Kuder St Basin Rehab	4,027,200	2,993,048	45,316	3,038,364	988,836
Dry Creek Basin Rehab	2,507,000	1,989,614	138,573	2,128,187	378,813
Dogwood/Fourth St Pump Station Rehab	300,000	655,523	187,761	843,284	(543,284)
Bear Slide/Indian Hills Pump Station	150,000	57,321	-	57,321	92,679
Mebane Bridge WWTP Improvements	3,625,600	4,063,437	-	4,063,437	(437,837)
Contingency	1,829,000	-	-	-	1,829,000
W/S Loan Repayment	2,000,000	-	-	-	2,000,000
	<u>35,725,600</u>	<u>15,342,442</u>	<u>1,954,707</u>	<u>17,297,149</u>	<u>18,428,451</u>
Total Expenditures					
Revenues Over (Under) Expenditures	<u>(4,059,600)</u>	<u>(4,442,041)</u>	<u>(889,184)</u>	<u>(5,331,225)</u>	<u>(1,271,625)</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>(382,441)</u>	<u>(889,184)</u>	<u>(1,271,625)</u>	<u>(1,271,625)</u>
Fund Balance					
Beginning of Year, July 1			<u>(382,441)</u>		
End of Year, June 30			<u>(1,271,625)</u>		

City of Eden, North Carolina
Metro Pump Station Project Fund
Comparative Balance Sheets
As of June 30, 2022 and 2021

Exhibit D-9

	June 30, 2022	June 30, 2021
Assets:		
Cash and Cash Equivalents	(163,201)	(52,408)
Other Receivables	-	-
Total Assets	(163,201)	(52,408)
Liabilities and Fund Equities:		
Current Liabilities		
Accounts Payable	288,369	-
Fund Equities	(451,570)	(52,408)
Total Liabilities and Fund Equities	(163,201)	(52,408)

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, 2022

Exhibit D-10

	<u>Project Authorization</u>	<u>Total Inception to June 30, 2021</u>	<u>Year Ended June 30, 2022</u>	<u>Total Inception to June 30, 2022</u>	<u>Variance Favorable (Unfavorable)</u>
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	307,843	350,801	(198,801)
Construction	911,600	9,450	91,319	100,769	810,831
Electric Service	52,000	-	-	-	52,000
Contingency	111,500	-	-	-	111,500
Total Expenditures	1,227,100	52,408	399,162	451,570	775,530
Revenues Over (Under) Expenditures	(230,100)	(52,408)	(399,162)	(451,570)	(221,470)
Other Financing Sources:					
Contribution for W/S Fund	230,100	-	-	-	(230,100)
	230,100	-	-	-	(230,100)
Net Change in fund balance	-	(52,408)	(399,162)	(451,570)	(451,570)
Fund Balance					
Beginning of Year, July 1			(52,408)		
End of Year, June 30			(451,570)		

City of Eden, North Carolina
 Self Insured Insurance
 Comparative Balance Sheets
 As of June 30, 2022 and 2021

Exhibit E-1

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Assets:		
Cash and Cash Equivalents	1,079,148	982,857
Due from Other Agencies	<u>44,290</u>	<u>46,037</u>
 Total Assets	 <u><u>1,123,438</u></u>	 <u><u>1,028,894</u></u>
 Liabilities and Fund Equities:		
Current Liabilities		
Claims Payable	165,323	220,043
 Fund Equities	 <u>958,115</u>	 <u>808,851</u>
 Total Liabilities and Fund Equities	 <u><u>1,123,438</u></u>	 <u><u>1,028,894</u></u>

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, 2022 and 2021

Exhibit E-2

	Budget	Variance Favorable (Unfavorable)	June 30, 2022	June 30, 2021
Revenues:				
Charges for Services:				
General Fund	2,538,900	(118,760)	2,420,140	2,411,424
Water & Sewer Fund	713,400	(34,199)	679,201	769,057
Refunds	<u>195,000</u>	<u>1,132</u>	<u>196,132</u>	<u>236,337</u>
 Total Revenues	 <u>3,447,300</u>	 <u>(151,827)</u>	 <u>3,295,473</u>	 <u>3,416,818</u>
 Expenditures:				
Group Insurance Fixed Costs	1,055,500	87,959	967,541	716,514
Insurance Claims	<u>2,687,000</u>	<u>504,887</u>	<u>2,182,113</u>	<u>2,387,811</u>
 Total Expenditures	 <u>3,742,500</u>	 <u>592,846</u>	 <u>3,149,654</u>	 <u>3,104,325</u>
 Operating Income (Loss)	 <u>(295,200)</u>	 <u>441,019</u>	 <u>145,819</u>	 <u>312,493</u>
 Non-Operating Revenue:				
Investment Earnings	<u>700</u>	<u>2,745</u>	<u>3,445</u>	<u>2,832</u>
 Other Financing Sources (Uses):				
Fund Balance Appropriated	<u>294,500</u>	<u>(294,500)</u>	<u>-</u>	<u>-</u>
 Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	 <u>-</u>	 <u>149,264</u>	 <u>149,264</u>	 <u>315,325</u>
 Fund Balance				
Beginning of Year, July 1			<u>808,851</u>	<u>493,526</u>
End of Year, June 30			<u>958,115</u>	<u>808,851</u>

City of Eden, North Carolina
Self Insured Insurance
Comparative Schedule of Cash Flows
For Fiscal Year Ended June 30, 2022
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021)

Exhibit E-3

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
Cash Flows from Operating Activities:		
Cash Received from Users	3,297,220	3,401,290
Cash Paid for Insurance Claims	(2,236,833)	(2,391,945)
Cash Paid for Fixed Costs	(967,541)	(716,514)
Net Cash Provided by Operating Activities	<u>92,846</u>	<u>292,831</u>
 Cash Flows from Investing Activities	 <u>3,445</u>	 <u>2,832</u>
 Net (Decrease) Increase in Cash and Cash Equivalents	 96,291	 295,663
Cash and Cash equivalents, Beginning of Year	<u>982,857</u>	<u>687,194</u>
Cash and Cash equivalents, End of Year	<u><u>1,079,148</u></u>	<u><u>982,857</u></u>
 Reconciliation of Operating Incomes to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	<u>145,819</u>	<u>312,493</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	1,747	(15,528)
Increase (Decrease) in Accounts Payable	<u>(54,720)</u>	<u>(4,134)</u>
Total Adjustments	<u>(52,973)</u>	<u>(19,662)</u>
Net Cash Provided by Operating Activities	<u><u>92,846</u></u>	<u><u>292,831</u></u>

City of Eden, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 June 30, 2022

Exhibit F-1

Fiscal Year	Uncollected Balance June 30, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2021-2022		6,589,725	6,502,893	86,832
2020-2021	81,189	24,563	39,304	66,448
2019-2020	43,445		20,096	23,349
2018-2019	27,327		5,261	22,066
2017-2018	28,378		5,848	22,530
2016-2017	19,709		4,336	15,373
2015-2016	15,152		2,249	12,903
2014-2015	11,791		1,795	9,996
2013-2014	13,204		840	12,364
2012-2013	12,070		580	11,490
2011-2012	9,863		9,863	-
2010-2011	110		110	-
2009-2010	-	-	-	-
	<u>262,238</u>	<u>6,614,288</u>	<u>6,593,175</u>	<u>283,351</u>
Less Allowance for Uncollectible Taxes				<u>159,129</u>
Ad Valorem Taxes Receivable - Net				<u>124,222</u>
Reconciliation with Revenues:				
Ad Valorem Taxes - General Fund				6,431,923
Reconciling Items:				
Rockingham County Collection Fee - Vehicle Tax				30,921
Short-Term Vehicle Tax				2,831
Interest Collected				(41,530)
Releases and Other Adjustments				(31,412)
Municipal Vehicle Tax				188,900
Municipal Service District Tax				<u>11,542</u>
				<u>6,593,175</u>

City of Eden, North Carolina
 Analysis of Current Tax Levy
 City-Wide Levy
 For Fiscal Year Ended June 30, 2022

Exhibit F-2

	<u>City-Wide</u>		<u>Total Levy</u>		
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property Taxed at Current Year's Rate	926,311,740	\$ 0.609	5,641,240	5,641,240	
Motor Vehicles Taxes Collected by DMV			894,714		894,714
	<u>926,311,740</u>		<u>6,535,954</u>	<u>5,641,240</u>	<u>894,714</u>
Discoveries:					
Current Year Taxes	3,653,761		22,252	22,252	
Prior Year Taxes			21,071	21,071	
Penalties			14,401	14,401	
	<u>3,653,761</u>		<u>57,724</u>	<u>57,724</u>	<u>-</u>
Municipal Service District Tax			11,373	11,373	
Other Adjustments	<u>(2,606,255)</u>		<u>(15,325)</u>	<u>(15,325)</u>	<u>-</u>
Total Property Valuation	<u>927,359,246</u>				
Net Levy			6,589,726	5,695,012	894,714
Uncollected Taxes at June 30, 2022			86,832	86,832	-
Current Year's Taxes Collected			<u>6,502,894</u>	<u>5,608,180</u>	<u>894,714</u>
Current Levy Collections Percentage			<u>98.68%</u>	<u>98.48%</u>	<u>100.00%</u>

City of Eden, North Carolina
 Schedule of Transfers
 For the Fiscal Year Ended June 30, 2022

Exhibit F-3

	Transfers	
	From	To
Operating Transfers From/To Component Units		
City of Eden		
General Fund		224,764
Eden ABC Board	224,764	
Total operating transfers - component units	224,764	224,764

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 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, 2022, 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 14, 2022. 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.

Report on 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. 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.

Report on 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 and Gardner, LLP
Rouse, Rouse, Rouse & Gardner, LLP
November 14, 2022

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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Eden and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the City of Eden's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Eden State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Eden's compliance based on our audit. Reasonable assurance is a high level of

assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Eden's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Eden's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of City of Eden's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City of Eden's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

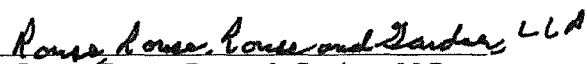
Report on Internal Control Over Compliance

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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Rouse, Rouse, Rouse & Gardner, LLP
Eden, North Carolina
November 14, 2022

City of Eden, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2022

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>					
Coronavirus State and Local Fiscal Recovery Funds	21.027	NC0132	580,789 *		
<u>US Department of Transportation</u>					
NC Department of Transportation Transportation Improvement Program - Stadium Drive Sidewalk	20.205	TAP-1747 (002)	11,516		
<u>US Department of Commerce</u>					
NC Department of Commerce Community Development Block Grant - Neighborhood Revitalizatio	14.228	B-18-DC-37-0001	7,733		
NC Department of Commerce Community Development Block Grant - Neighborhood Revitalizatic	14.228	B-20-DWI-0001	55,147		
			62,880		
<u>US Treasury - Internal Revenue Service</u>					
Federal VITA					
RPTAC - North Carolina VITA	21.000		5,000		
<u>US Department of Justice</u>					
Office of Community Oriented Policing Services COPS Hiring Service	16.710		72,018		
Pass-through NC Governor's Crime Commission 2021 - Eden Police Department - Civil Disturbance Response Gear	16.738	PROJ014726	24,415		
			96,433		
<u>US Department of Health & Human Services</u>					
Division of Aging and Adult Services Council Area Agency on Aging HCCBG-IN-HOME/SUPP SVC	93.044		5,113		
Total Assistance - Federal Programs			761,731		
State Grants:					
<u>NC Department of Environmental Quality</u>					
Connect NC Bond Grant - Collection System Project		E-SRP-W-17-0026		977,354	
Connect NC Bond Loan - Collection System Project		E-SRP-W-17-0026		977,354	
			-	1,954,708	-
<u>NC Water Infrastructure Environment Quality</u>					
Berry Hill Regional Mega Park - Grant		H-SRP-D-17-0015		358,854	
Berry Hill Regional Mega Park - Loan		H-SRP-D-17-0015		1,076,561	
Berry Hill Regional Mega Park - SAP Grant		H-SAP-D-19-0024		289,376	
			-	1,724,791	-
<u>N.C. Department of Transportation</u>					
Powell Bill		3570		442,221	
			-	442,221	-
<u>N.C. Department of Commerce</u>					
Rural Economic Grant New Street Sewer Project		U-497		399,162	
			-	-	-
<u>N.C. Division of Aging and Adult Services</u>					
Piedmont Triad Regional Council Area - Agency on Aging HCCBG Grant for Older Adults				30,000	5,068
Senior Center General Purpose				7,128	5,394
			-	37,128	10,462
Total Assistance - State Programs			-	4,558,010	10,462
Total Assistance			761,731	4,558,010	10,462

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, 2022. 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, 2022 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, 2022 consist of:

Program Title:

Connect NC Bond Loan - Collection System Project	\$ 5,977,523
NC Water Infrastructure Water Quality - Regional Mega Park Water Expansion	\$ 2,962,187

*** Note 4: Alternative Compliance Examination Engagement**

An alternative compliance examination engagement was performed on the Coronavirus State and Local Fiscal Recovery Funds as allowed per the 2022 OMB Compliance Supplement. A separate accountant's report was issued in reference to this engagement.

CITY OF EDEN, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

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

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

Berry Hill Regional Mega Park - Grant
Berry Hill Regional Mega Park - Loan
Powell Bill

Section II. Financial Statement Findings

None

Section III. State Award Findings and Questioned Costs

None