

**Town of Mocksville
Mocksville, North Carolina
For the year ended
June 30, 2024**

**Independent Auditor's Reports
Basic Financial Statements
And
Information Accompanying the
Basic Financial Statements**

Town of Mocksville

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June 30, 2024

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EDDIE CARRICK, CPA, PC
Certified Public Accountant

Independent Auditor's Report

To the Honorable Mayor and Board of Aldermen
Town of Mocksville, North Carolina

Report on the Audit of Financial Statements

Opinions

I have audited the financial statements of the governmental activities, business-type activities, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Mocksville, North Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Mocksville's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Town of Mocksville, North Carolina as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I did not audit the financial statements of the Mocksville - Cooleemee ABC Board, which represent 89 percent, 76 percent, and 98 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by another auditor whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the Mocksville - Cooleemee ABC Board, is based solely on the report of another auditor.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Mocksville, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibility of Management's 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 Town of Mocksville'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 Responsibility for the Audit of the Financial Statements

My 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 my 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*, I

- 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 Town of Mocksville'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Mocksville's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 12, Schedule of Changes in the Total OPEB Liability and Related Ratios on page 47 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on page 48 respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements.

I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mocksville's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules as well as the accompanying schedule of expenditures 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. This 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. In my opinion, the individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 13, 2024 on my consideration of the Town of Mocksville's internal control over financial reporting and on my 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 my 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 Town of Mocksville'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 Town of Mocksville's internal control over financial reporting and compliance.

Eddie Carrick CPA, PC



Lexington, North Carolina
November 13, 2024

Town of Mocksville

North Carolina

Management's Discussion and Analysis

As management of the Town of Mocksville, we offer the readers of the Town of Mocksville's financial statements this narrative overview and analysis of the financial activities of the Town of Mocksville for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

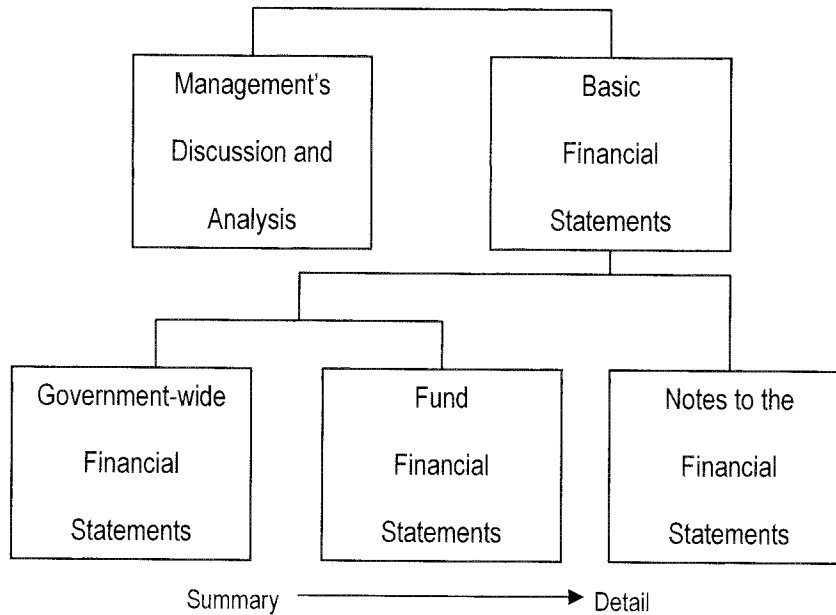
Financial highlights

- The assets and deferred outflows of resources of the Town of Mocksville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$44,369,471 (*net position*).
- The government's total net position increased by \$10,444,923, primarily due to increases in governmental and proprietary type activities.
- As of the close of the current fiscal year, the Town of Mocksville's governmental funds reported combined ending fund balances of \$15,739,282 with a net increase of \$4,093,931 in fund balance. Approximately 22% of this total amount, or \$3,479,063, is restricted or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,945,804 or 160% of total general fund expenditures for the fiscal year.
- The Town of Mocksville's total debt decreased by \$398,165 due to an increase in accrued vacation of \$18,211, recognition of a decrease in other post-employment benefits of \$381,979, increase in pension liability of \$261,399 and payments and extinguishment on long-term borrowing of \$295,796.

Overview of the Financial Statements

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

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 Town's financial status.

The next statements (Exhibit 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental fund statements 2) the budgetary comparison statements and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as safety and security, transportation and administration. Property tax and state shared revenues finance these activities. The business-type activities are those that the Town charges customers to provide. These include water and sewer services offered by the Town. The final category is the component units. Although legally separate from the Town, the Tourism Development Authority and ABC Board are important to the Town. The Town exercises control over the Boards by appointing its members.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Mocksville, 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 General Statutes or the Town's budget ordinance. All of the funds of the Town of Mocksville can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him determine if there are more or less financial resources available to finance the Town's programs. The relationship between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

Management Discussion and Analysis
Town of Mocksville

The Town of Mocksville adopts an annual budget for the General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance the current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented in the same format, language and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board 2) the final budget as amended by the board 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the differences or variance between the final budget and 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 – The Town of Mocksville has one type of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water and sewer activity. This fund is the same as the functions shown in the business-type activities in the Statement of Net position and Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to the full understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain supplemental information detailing the information provided in the basic financial statements and is presented to allow the reader to gain an in-depth understanding of the financial information presented.

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

Management Discussion and Analysis
Town of Mocksville

Town of Mocksville's Net Position (Figure 2)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Current and other assets	\$ 11,204,985	\$ 10,178,619	\$ 8,108,448	\$ 3,434,896	\$ 19,313,433	\$ 13,613,515
Capital and noncurrent assets	13,408,404	7,698,954	21,519,473	19,435,391	34,927,877	27,134,345
Deferred outflows of resources	1,034,153	1,047,940	219,817	233,378	1,253,970	1,281,318
Total assets and deferred outflows	<u>25,647,542</u>	<u>18,925,513</u>	<u>29,847,738</u>	<u>23,103,665</u>	<u>55,495,280</u>	<u>42,029,178</u>
Long-term liabilities	1,295,964	1,464,819	7,561,909	5,270,600	8,857,873	6,735,419
Current liabilities	102,017	71,171	438,684	51,844	540,701	123,015
Deferred inflows of resources	1,208,771	1,056,636	218,463	189,559	1,427,234	-
Total liabilities and deferred inflows	<u>2,606,752</u>	<u>2,592,626</u>	<u>8,219,056</u>	<u>5,512,003</u>	<u>10,825,808</u>	<u>8,104,629</u>
Net position						
Net investment in capital assets	8,713,862	6,112,829	18,398,172	16,159,046	27,112,034	22,271,875
Restricted	3,100,436	2,563,792	-	-	3,100,436	2,563,792
Unrestricted	11,226,492	7,656,266	2,930,510	1,432,616	14,157,002	9,088,882
Total net position	<u>\$ 23,040,790</u>	<u>\$ 16,332,887</u>	<u>\$ 21,328,681</u>	<u>\$ 17,591,662</u>	<u>\$ 44,369,471</u>	<u>\$ 33,924,549</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows by \$44,369,471 as of June 30, 2024. The Town's net position increased by \$10,444,923 for the fiscal year ended June 30, 2024. However, the largest portion (61%) reflects the Town's net investment in capital assets (road improvements, equipment, machinery, utility plant). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$3,100,436 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,157,002 is unrestricted.

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

- Conservative spending by management.
- One time expenditures in certain departments.
- Overall prior maintenance of fixed assets.
- New and ongoing capital projects funded by grants

Management Discussion and Analysis
Town of Mocksville

Town of Mocksville's Changes in Net Position (Figure 3)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Revenues						
Program revenues:						
Charges for services	\$ 470,603	\$ 425,660	\$ 4,923,209	\$ 4,391,597	\$ 5,393,812	\$ 4,817,257
Operating Grants and contributions	850,017	868,616	-	-	850,017	868,616
Capital Grants and contributions	4,900,000	-	2,572,937	1,450,443	7,472,937	1,450,443
General revenues:						
Property taxes	3,619,637	3,257,372	-	-	3,619,637	3,257,372
Other taxes	1,496,214	1,531,726	-	-	1,496,214	1,531,726
Other	1,665,702	2,569,978	116,420	97,624	1,782,122	2,667,602
Total revenues	<u>13,002,173</u>	<u>8,653,352</u>	<u>7,612,566</u>	<u>5,939,664</u>	<u>20,614,739</u>	<u>14,593,016</u>
Expenses:						
General government	1,869,403	1,798,598	-	-	1,869,403	1,798,598
Economic development	101,162	168,649	-	-	101,162	168,649
Public safety	2,304,423	1,977,836	-	-	2,304,423	1,977,836
Transportation	1,042,971	812,384	-	-	1,042,971	812,384
Environmental protection	620,509	409,862	-	-	620,509	409,862
Cultural and recreational	355,801	218,962	-	-	355,801	218,962
Interest and changes on long-term debt	-	-	-	-	-	-
Water and sewer	-	-	3,875,547	3,455,142	3,875,547	3,455,142
Total expenses	<u>6,294,269</u>	<u>5,386,291</u>	<u>3,875,547</u>	<u>3,455,142</u>	<u>10,169,816</u>	<u>8,841,433</u>
Increase in net assets before transfers and contributions	6,707,903	3,267,061	3,737,020	2,484,522	10,444,923	5,751,583
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	6,707,903	3,267,061	3,737,020	2,484,522	10,444,923	5,751,583
Net position, July 1	16,332,887	13,065,826	17,591,662	15,107,140	33,924,549	28,172,966
Net position, June 30	<u>\$ 23,040,790</u>	<u>\$ 16,332,887</u>	<u>\$ 21,328,681</u>	<u>\$ 17,591,662</u>	<u>\$ 44,369,471</u>	<u>\$ 33,924,549</u>

Governmental activities. Governmental activities increased the Town's net position by \$6,707,903, thereby accounting for 64% of the total increase in net position of the Town. The increase in net position was the result of a concerted effort to control costs and manage expenditures. Management believes healthy investment in the Town will result in additional revenues, and in that vein added to the Town's net position by investing in capital assets. Increased efforts to maximize tax collections also contributed to the favorable net position. Tax revenue did not appreciably decline in the current year. Town management acknowledges that 2024 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Management Discussion and Analysis
Town of Mocksville

Key elements of this increase are as follows:

- Tax revenues remained steady.
- Town Council has adopted a conservative approach to general fund spending.
- Large economic incentives to new industries.
- Use of grants for capital expenditures.
- Recognition of deferred ARPA funds

Business-type activities: Business-type activities increased the Town's net position by \$2,484,522 accounting for 43% of the total increase in the government's net position. Key elements of this increase are as follows:

- A conservative approach to spending.
- An increase in operating revenues.
- Capital grants

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town of Mocksville's fund balance available in the General Fund was \$9,945,804, while total fund balance reached \$13,424,867. The Town currently has an available fund balance of 160% of general fund expenditures, while total fund balance represents 254% of the same amount.

At June 30, 2024, the governmental funds of the Town reported a combined fund balance of \$13,424,867 with a net increase in fund balance of \$4,093,931. Included in this change in fund balance are increases in the General Fund of \$1,779,516 and an increase in the Capital Projects Fund of \$2,314,415.

General Fund Budgetary Highlights: During the fiscal year, the Town made several revisions to the budget. 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.

There were several reasons the Town revised its budget throughout the year. Although expenditures were held in check overall to comply with its budgetary requirements, the Town did amend the budget in the General Fund in several departments to account for unexpected expenditures.

Management Discussion and Analysis
Town of Mocksville

Proprietary Funds: The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the Water and Sewer Fund at the end of the fiscal year amounted to \$2,930,510. The total increase in net position was \$3,737,019. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$30,233,335 (net of accumulated depreciation). These assets include buildings, roads, machinery and equipment.

Major capital asset transactions during the year included the following additions:

- Vehicles, buildings and equipment \$288,390
- Water and sewer improvements and equipment \$67,970
- Water and sewer projects construction in progress \$2,699,256
- General land and projects \$2,786,544

Town of Mocksville's Capital Assets (net of depreciation) (Figure 4)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Land and improvements	\$ 828,485	\$ 627,526	\$ 46,446	\$ 46,446	\$ 874,931	\$ 673,972
Construction in progress	2,585,585	-	5,245,962	2,546,706	7,831,547	2,546,706
Road improvements	1,527,607	1,608,071	-	-	1,527,607	1,608,071
Economic development	903,749	963,269	-	-	903,749	963,269
Buildings	1,522,052	1,536,604	-	-	1,522,052	1,536,604
Vehicles	776,972	877,811	-	-	776,972	877,811
Equipment	569,412	499,548	313,234	396,534	882,646	896,082
Plant and distribution	-	-	15,913,831	16,445,705	15,913,831	16,445,705
	<u>\$ 8,713,862</u>	<u>\$ 6,112,829</u>	<u>\$ 21,519,473</u>	<u>\$ 19,435,391</u>	<u>\$ 30,233,335</u>	<u>\$ 25,548,220</u>

Additional information on the Town's capital assets can be found in Note III.A.4 of the Basic Financial statements.

Long-term Debt.

The Town of Mocksville's total debt decreased by \$398,165 due to an increase in accrued vacation of \$18,211, recognition of a decrease in other post-employment benefits of \$381,979, increase in pension liability of \$261,399 and payments and extinguishment on long-term borrowing of \$295,796.

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 property located within that government's boundaries. The legal debt margin for the Town is \$99,857,766.

Additional information regarding the Town's long-term debt can be found in Note III.B.5 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- New commercial, industrial and retail development
- Commercial and major industrial constructions or expansions
- Planning and zoning practices
- Established infrastructure and utilities upgrades

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities:

The 2024-2025 budget includes prioritizing capital needs for each department and maintaining a competitive tax rate as high priority issues. In addition the following budgetary issues were highlighted:

- Streets & Sidewalks
- Paver Replacement
- Final Phase of Streetscape Project
- Leaf Truck
- Safety and Emergency Response Equipment
- WWTP Maintenance
- North Elevated Water Tank Design
- Southpoint Pump Station & Main Force
- Asset Inventory and Assessment Grants for Water and Wastewater System

The Town continues to take an aggressive approach toward the use of grant funding where available to supplement revenues.

The Town has embarked on some major projects, and has chosen to appropriate zero fund balance in the fiscal year 2024-2025 budget. Management believes that increased revenues and future restrictions on spending will maintain the Town's strong financial position.

Management Discussion and Analysis
Town of Mocksville

Governmental Activities: (continued)

The Town may need additional revenue in future years. One possible revenue source is an increase to ad valorem taxes. A \$0.01 increase in the property tax rate would result in additional revenues of approximately \$123,863 at current values and collection rate. Though management believes current growth will generate enough revenue to support Town operations, a careful analysis of property tax revenue will be considered in future years' budgets.

Business-type Activities:

The major highlights of the 2024-2025 budget for the water and sewer fund will include; major construction and mandated rehabilitation, agreements with Willis Engineers and contracted water/wastewater services with Envirolink, Inc. Water rates increased by 6% and sewer rates increased by 10% for the upcoming year, and will continue to be analyzed and changed to maintain adequate services

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager, Town of Mocksville, 171 Clement Street, Mocksville, NC 27028.

Town of Mocksville, North Carolina
Statement of Net Position
June 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Town of Mocksville Tourism Development Authority	Mocksville- Cooleeemee ABC Board
ASSETS					
Current assets:					
Cash and investments - unrestricted	\$ 10,426,448	\$ 7,324,338	\$ 17,750,786	\$ -	\$ 347,893
Property taxes receivable (net)	58,227	-	58,227	-	-
Internal balances	50,000	(50,000)	-	-	-
Accounts receivable (net) and prepaids	297,045	602,029	899,074	-	13,662
Accounts receivable - projects	-	-	-	-	-
Inventory	-	77,171	77,171	-	816,273
Cash and investments - restricted	373,264	154,910	528,174	246,273	-
	<u>11,204,985</u>	<u>8,108,448</u>	<u>19,313,433</u>	<u>246,273</u>	<u>1,177,828</u>
Non-current assets:					
Long-term receivable	-	-	-	-	-
Advance from other funds - noncurrent	4,694,542	-	4,694,542	-	-
Capital assets (Note IIIA4):					
Land and CWIP not being depreciated	3,213,111	5,292,409	8,505,520	-	-
Other capital assets, net of depreciation	5,500,751	16,227,064	21,727,815	-	706,458
Total capital assets	<u>8,713,862</u>	<u>21,519,473</u>	<u>30,233,335</u>	<u>-</u>	<u>706,458</u>
Total noncurrent assets	<u>13,408,404</u>	<u>21,519,473</u>	<u>34,927,877</u>	<u>-</u>	<u>706,458</u>
Total assets	<u>24,613,388</u>	<u>29,627,921</u>	<u>54,241,309</u>	<u>246,273</u>	<u>1,884,286</u>
DEFERRED OUTFLOWS OF RESOURCES					
LGERS	596,880	129,686	726,566	-	54,000
OPEB	437,273	90,131	527,404	-	-
Total deferred outflows of resources	<u>1,034,153</u>	<u>219,817</u>	<u>1,253,970</u>	<u>-</u>	<u>54,000</u>
LIABILITIES					
Current liabilities:					
Accounts payable	102,017	87,979	189,996	-	385,522
Accounts payable - capital projects	-	-	-	-	-
Current maturities on long-term debt	100,000	195,795	295,795	-	26,976
Customer deposits	-	154,910	154,910	-	-
Long-term liabilities:					
Advance to other funds - noncurrent	-	4,694,542	4,694,542	-	-
Long-term debt - ABC Board	-	-	-	-	626,064
Long-term debt - SRF	-	2,925,506	2,925,506	-	-
USDA REDLG	100,000	-	100,000	-	-
OPEB liability	-	-	-	-	-
Pension liability	999,818	217,239	1,217,057	-	74,245
Accrued vacation	96,146	24,622	120,768	-	-
Total liabilities	<u>1,397,981</u>	<u>8,300,593</u>	<u>9,698,574</u>	<u>-</u>	<u>1,112,807</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB	1,079,092	190,287	1,269,379	-	-
LGERS	129,679	28,176	157,855	-	30,424
Total deferred inflows of resources	<u>1,208,771</u>	<u>218,463</u>	<u>1,427,234</u>	<u>-</u>	<u>30,424</u>
NET POSITION					
Net investment in capital assets	8,713,862	18,398,172	27,112,034	-	45,350
Restricted for:					
Working capital	-	-	-	-	119,800
Stabilization by State Statute	2,727,172	-	2,727,172	-	-
Streets	173,264	-	173,264	-	-
USDA REDLG	200,000	-	200,000	-	-
Tourism Development	-	-	-	246,273	-
Unrestricted	<u>11,226,492</u>	<u>2,930,510</u>	<u>14,157,001</u>	<u>-</u>	<u>629,905</u>
Total net position	<u>\$ 23,040,790</u>	<u>\$ 21,328,681</u>	<u>\$ 44,369,471</u>	<u>\$ 246,273</u>	<u>\$ 795,055</u>

Town of Mocksville, North Carolina
Statement of Activities
For the Year Ended June 30, 2024

Exhibit 2

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Primary Government		Component Units		Primary Government		Component Units	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Expenses	Governmental Activities	Business-type Activities	Town of Mocksville Tourism Development Authority	Mocksville - Coolee ABC Board
Governmental activities:								
General government	\$ 1,869,403	\$ -	\$ -	\$ (1,869,403)	\$ -	\$ -	\$ -	\$ -
Economic development	101,162	-	4,900,000	4,798,838	-	-	-	-
Public safety	2,304,423	632,562	-	(1,671,861)	-	-	-	-
Transportation	1,042,971	217,455	-	(825,516)	-	-	-	-
Environmental protection	620,509	-	-	(159,937)	-	-	-	-
Cultural and recreational	355,801	10,031	-	(345,770)	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Tourism development	-	-	-	-	-	-	(64,639)	-
Total governmental activities	6,294,270	850,017	4,900,000	(73,650)	-	-	(64,639)	-
Business-type activities:								
ABC Board	3,996,027	-	-	-	-	-	-	42,307
Water and sewer	3,875,547	-	-	-	1,047,663	-	-	-
Total business activities	7,871,574	-	-	-	1,047,663	-	-	42,307
Total government	\$ 14,165,843	\$ 850,017	\$ 4,900,000	(73,650)	1,047,663	974,013	(64,639)	42,307
General revenues:								
Taxes:								
Property taxes levied for general purposes				3,619,637	-	-	-	-
Other taxes				1,496,214	-	-	82,885	-
Unrestricted investment earnings				547,061	81,348	628,409	-	-
Other unrestricted revenues				1,118,641	35,072	1,153,713	4,380	90
Grants				-	2,572,937	2,572,937	-	-
Total general government revenues and transfers				6,781,553	2,689,357	9,470,910	87,265	90
Change in net position				6,707,903	3,737,020	10,444,923	22,626	42,397
Net position, beginning				16,332,887	17,591,662	33,924,549	223,647	752,658
Net position, ending				\$ 23,040,790	\$ 21,328,681	\$ 44,369,471	\$ 246,273	\$ 795,055

The accompanying notes are an integral part of the financial statements

Town of Mocksville, North Carolina
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds		
	General	General Capital Projects - Downtown Revitalization	Total Governmental
ASSETS			
Cash and investments -- unrestricted	\$ 10,426,448	\$ -	\$ 10,426,448
Cash and investments -- restricted	373,264	-	373,264
Due from other funds - current portion	50,000	-	50,000
Property taxes receivable (net)	58,227	-	58,227
Accounts receivable (net)	297,045	-	297,045
	11,204,985	-	11,204,985
Advance from other funds - long-term portion	2,380,127	2,314,415	4,694,542
	2,380,127	2,314,415	4,694,542
Total assets	\$ 13,585,111	\$ 2,314,415	\$ 15,899,526
LIABILITIES			
Accounts payable	\$ 102,017	\$ -	\$ 102,017
Total liabilities	102,017	-	102,017
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	58,227	-	58,227
Total deferred inflows of resources	58,227	-	58,227
Fund balances:			
Restricted:			
Stabilization by State Statute	2,727,172	-	2,727,172
Streets	173,264	-	173,264
USDA REDLG	200,000	-	200,000
Assigned			
Subsequent years expenditures	-	-	-
Fire truck reserve	378,627	-	378,627
Unassigned			
Total fund balances	9,945,804	2,314,415	12,260,219
Total liabilities, deferred inflows of resources and fund balance	\$ 13,585,111	\$ 2,314,415	15,739,282
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			8,713,862
Deferred pension outflows			1,034,153
Long-term receivable			-
Earned revenues considered deferred inflows of resources in fund statements.			58,227
Some liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the net position of the governmental activities:			
Deferred inflows of resources related to pensions are not reported in the funds			(1,208,771)
LGERS pension liability			(999,818)
OPEB liability			-
Long-term debt			(200,000)
Accrued vacation			(96,146)
Net position of the governmental activities			\$ 23,040,790

The accompanying notes are an integral part of the financial statements

Town of Mocksville, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	Major		Total Governmental
	General	General Capital Projects - Downtown Revitalization	
Revenues:			
Ad Valorem taxes	\$ 3,609,631	\$ -	\$ 3,609,631
Other taxes and licenses	1,496,214	-	1,496,214
Unrestricted intergovernmental revenues	607,598	-	607,598
Restricted intergovernmental revenues	850,017	4,900,000	5,750,017
Sales and services	953,882	-	953,882
Investment earnings	547,061	-	547,061
Other revenues	27,764	-	27,764
	<u>8,092,167</u>	<u>4,900,000</u>	<u>12,992,167</u>
Expenditures:			
General government	2,013,201	-	2,013,201
Economic development	136,267	2,585,585	2,721,852
Public safety	2,211,765	-	2,211,765
Transportation	1,032,205	-	1,032,205
Environmental protection	492,118	-	492,118
Cultural and recreational	327,094	-	327,094
Debt service	-	-	-
	<u>6,212,651</u>	<u>2,585,585</u>	<u>8,798,236</u>
Excess of revenues and other sources over expenditures and other uses	<u>1,879,516</u>	<u>2,314,415</u>	<u>4,193,931</u>
Other Financing Sources (Uses):			
Transfers from (to)	-	-	-
Disbursements to Davie County - RDLG	(100,000)	-	(100,000)
	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balance	1,779,516	2,314,415	4,093,931
Fund Balances			
Beginning of year, July 1	<u>11,645,353</u>	<u>-</u>	<u>11,645,353</u>
End of year, June 30	<u>\$ 13,424,867</u>	<u>\$ 2,314,415</u>	<u>\$ 15,739,282</u>

The accompanying notes are an integral part of the financial statements

Town of Mocksville, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

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

Net changes in fund balances - total governmental funds		\$ 4,093,931
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation for the current period.</p>		
Capital outlay	\$ 489,349	
Increase in fixed assets - Capital Projects	2,585,585	
Depreciation	<u>(473,901)</u>	2,601,033
Change in pension expense		
Change in deferred outflows	89,112	
(Increase) decrease in pension liability	(227,931)	
Change in deferred inflows	<u>69,912</u>	(68,907)
Change in OPEB expense		
Change in deferred outflows	(102,899)	
(Increase) decrease in OPEB liability	316,180	
Change in deferred inflows	<u>(222,047)</u>	(8,766)
Change in unavailable revenue for tax revenues		10,006
Some of the 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.		
Debt service payments		100,000
Compensated absences		<u>(19,394)</u>
Total changes in net position of governmental activities		<u>\$ 6,707,903</u>

Town of Mocksville, North Carolina
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget		Actual	Variance with
	Original	Final		Final budget
				Favorable (Unfavorable)
Revenues:				
Ad Valorem taxes	\$ 3,443,962	\$ 3,443,962	\$ 3,609,631	\$ 165,669
Other taxes and licenses	1,264,596	1,264,596	1,496,214	231,618
Unrestricted intergovernmental revenues	533,500	533,500	607,598	74,098
Restricted intergovernmental revenues	770,049	796,547	850,017	53,470
Sales and services	396,900	874,660	953,882	79,222
Investment earnings	83,470	186,489	547,061	360,572
Other revenues	165,297	149,700	27,764	(121,936)
	<u>6,657,774</u>	<u>7,249,454</u>	<u>8,092,167</u>	<u>842,713</u>
Other financing sources:				
Appropriated fund balance	-	151,718	-	(151,718)
Total revenues and other sources	<u>6,657,774</u>	<u>7,401,172</u>	<u>8,092,167</u>	<u>690,995</u>
Expenditures:				
General government	1,807,810	2,225,357	2,013,201	212,156
Economic development	321,650	299,297	136,267	163,030
Public safety	2,483,496	2,820,003	2,211,765	608,238
Transportation	908,846	1,099,215	1,032,205	67,010
Environmental protection	360,300	497,300	492,118	5,182
Cultural and recreational	675,672	360,000	327,094	32,906
Debt service	-	-	-	-
	<u>6,557,774</u>	<u>7,301,172</u>	<u>6,212,651</u>	<u>1,088,521</u>
Other Financing Uses:				
Payments on loans - RDLG	100,000	100,000	100,000	-
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures and Other Uses	<u>6,657,774</u>	<u>7,401,172</u>	<u>6,312,651</u>	<u>1,088,521</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	1,779,516	<u>\$ 1,779,516</u>
Fund Balances				
Beginning of year, July 1			<u>11,645,353</u>	
End of year, June 30			<u>\$ 13,424,869</u>	

The accompanying notes are an integral part of the financial statements

Town of Mocksville, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2024

	Water and Sewer Fund
ASSETS	
Current assets:	
Cash and investments - unrestricted	\$ 7,324,338
Cash and investments - restricted	154,910
Accounts receivable (net)	602,029
Accounts receivable - projects	-
Inventory	77,171
Total current assets:	8,158,448
Non-current assets:	
Capital assets:	
Land and construction in progress	5,292,409
Other capital assets, net of depreciation	16,227,064
Total non-current assets:	21,519,473
Total assets	29,677,921
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	129,686
OPEB deferrals	90,131
	219,817
LIABILITIES	
Current liabilities:	
Accounts payable	87,979
Accounts payable - capital projects	-
Due to other funds - current	50,000
Long-term debt - current	195,795
Liabilities payable from restricted assets:	
Customer deposits	154,910
Non-current liabilities:	
Advance to other funds - noncurrent	4,694,542
Accrued vacation	24,622
Long-term debt - SRF	2,925,506
Pension liability	217,239
OPEB obligation	-
Total non-current liabilities	7,861,909
Total liabilities	8,350,593
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	28,176
OPEB deferrals	190,287
	218,463
NET POSITION	
Net investment in capital assets	18,398,172
Restricted for other uses	-
Unrestricted	2,930,510
Total net position	\$ 21,328,681

The accompanying notes are an integral part of the financial statements

Town of Mocksville, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2024

	Water and Sewer Fund
Operating revenues:	
Utility charges, taps and connection fees	\$ 4,889,047
Other operating income	34,162
	4,923,209
Operating expenses:	
Water treatment and distribution	1,419,070
Waste collection and treatment	1,647,155
Depreciation	683,143
	3,749,368
Operating income	1,173,841
Nonoperating revenue (expense):	
Interest income	81,348
Sale of assets	-
Interest on long-term debt	(126,179)
Rental income	6,600
Sales tax refund	28,472
Total nonoperating revenue (expense)	(9,759)
Income before contributions and transfers	1,164,083
Grants - capital project	2,540,513
Grants - other	32,424
	3,737,019
Change in net position	3,737,019
Total net position - July 1	17,591,662
Total net position - June 30	\$ 21,328,681

The accompanying notes are an integral part of the financial statements

Town of Mocksville, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2024

	Water and Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 4,992,616
Cash payment to suppliers of goods and services	(2,463,909)
Cash payment to employees and benefits	(499,720)
Net Cash Provided By Operating Activities	2,028,987
Cash flows from noncapital financial activities:	
Other income	35,072
Increase (decrease) in interfund payable	3,088,229
Net Cash Provided by Noncapital Financing Activities	3,123,301
Cash from capital and related financing activities:	
Grants	2,842,937
Principal paid on debt	(155,044)
Interest paid on debt	(126,179)
Increase in construction in progress	(2,732,694)
Purchase of capital assets	(67,969)
Net Cash Used by Capital and Related Financing Activities	(238,949)
Cash flows from investing activities:	
Interest on investments	81,348
Net Cash Provided by Investing Activities	81,348
Net Increase (Decrease) In Cash	4,994,687
Cash - Beginning of Year, July 1	2,484,561
Cash - End of Year, June 30	\$ 7,479,248
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Net Operating Income	\$ 1,173,841
Depreciation	683,143
Sales tax refund	-
Changes in Current Assets and Liabilities:	
(Increase) decrease in accounts receivable	47,064
(Increase) decrease in inventory	24,072
(Increase) decrease in pension accruals	5,329
Increase (decrease) in accounts payable	69,573
Increase (decrease) in accrued vacation	(1,183)
Increase (decrease) in OPEB	4,805
Increase (decrease) in customer deposits	22,343
	\$ 2,028,987
Interest paid	\$ 126,179

Town of Mocksville, North Carolina
NOTES TO FINANCIAL STATEMENTS
As of or for the Year Ended June 30, 2024

Description of the Units

The Town of Mocksville is located in Davie County, which is in the Piedmont area of North Carolina. The Town has a population of approximately 5,915 and covers approximately seven and one-half square miles. The Town provides water and sewer services to its residents.

I. Summary of Significant Accounting Policies

The accounting policies of the Town and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The Town of Mocksville is a municipal corporation governed by an elected mayor and council. As required by generally accepted accounting principles, these financial statements present the Town and its component units, legally separate entities for which the Town is financially accountable. The discretely presented component units presented below is reported in a separate column in the Town's financial statements in order to emphasize that they are legally separate from the Town.

Town of Mocksville Tourism Development Authority

The Town of Mocksville Tourism Development Authority (TDA) was established December 1, 2010 for the purpose of collecting a 3% occupancy tax to be used for the promotion of tourism in Mocksville. The members of the Tourism Development Authority's governing board are appointed by the Town. The Tourism Development Authority, which has a June 30 year-end, is presented as a discretely presented component units. Information concerning the Tourism Development Authority can be obtained by contacting the Finance Officer, Town of Mocksville, Mocksville, NC.

As of June 30, 2024, the Town of Mocksville held receipts of \$0 at June 30, 2024.

Mocksville – Cooleemee ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at the Mocksville - Cooleemee ABC Board, Town of Mocksville, North Carolina.

B. Basis of Presentation

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

Notes to the Financial Statements (continued)

B. Basis of Presentation (continued)

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in other funds. The primary revenue sources are ad valorem taxes and state-shared revenues. The primary expenditures are for streets and general government services.

Capital Project – This fund is used to account for Downtown Revitalization.

The Town reports the following major enterprise funds:

Water and Sewer Fund

The Town maintains an Enterprise Fund, the Water and Sewer Fund, to account for its water and sewer services. This fund is financed and operated in the same manner as a private business enterprise. It is the intent of the governing body that costs (expenses, including depreciation) of providing these services to the public on a continuing basis be financed or recovered primarily through user charges. Therefore, periodic accounting is necessary for determination of net income and rate control.

The Town reports construction of proprietary assets in the Water and Sewer Capital Project.

Knight/Breakbush Brothers, Inc. Capital Project Fund. This fund is used to account for water and sewer improvements for economic development purposes.

Liberty Storage Capital project. This fund is used to account for water and sewer improvements for economic development purposes.

Notes to the Financial Statements (continued)

B. Basis of Presentation (continued)

Asset Inventory Grant - Water. This fund is used to account for water and sewer improvements for economic development purposes.

Asset Inventory Grant - Wastewater. This fund is used to account for water and sewer improvements for economic development purposes.

State Fiscal Recovery Fund North Elevated Water Tank. This fund is used to account for water and sewer improvements for economic development purposes.

State Fiscal Recovery Fund Pump Station. This fund is used to account for water and sewer improvements for economic development purposes.

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements: The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses recorded at the time liabilities are incurred regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, includes 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Notes to the Financial Statements (continued)

C. Measurement Focus and Basis of Accounting (continued)

The Town considers all revenue available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by Davie County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General, Special Revenue, and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. 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. The Town does not have a current policy which allows for departmental transfers without council approval.

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

1. Deposits and Investments

All deposits of the Town, the Tourism Development Authority and ABC Board are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The Town, the Tourism Development Authority and ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town, the Tourism Development Authority and 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 Town, the Tourism Development Authority and 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 non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust

Notes to the Financial Statements (continued)

1. Deposits and Investments (continued)

(NCCMT). The Town, the Tourism Development Authority and ABC Board's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursements and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Tourism Development Authority and ABC Board considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it 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. Also, a restricted cash account has been established to provide for future payments to USDA for the REDLG economic loan and disbursements from ARPA funds.

Town of Mocksville Restricted Cash

Governmental Activities			
General Fund	Powell - streets	\$	173,264
	USDA REDLG		<u>200,000</u>
Total governmental activities			<u>373,264</u>
 Business-type Activities			
Water and Sewer Fund	Customer deposits		<u>154,910</u>
Total Business-type Activities			<u>154,910</u>
Total Restricted Cash		\$	<u>528,174</u>

4. Ad Valorem Taxes Receivable

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the Town levies ad valorem taxes on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. As allowed by State law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

Notes to the Financial Statements (continued)

6. Inventories

The inventories of the Town are valued at cost (first-in, first-out), which approximates market.

The inventories of the Town's enterprise funds consist of materials held for consumption. The costs of these inventories are recorded as an expense as the inventories are consumed.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$2500 and an estimated useful life of more than two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The Town has recorded general infrastructure consisting of roads and improvements on a prospective basis beginning July 1, 2003 as allowed by GASB Statement 34. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Life</u>
Automobiles and light trucks	5-10 years
Road improvements	10
Furniture, office and other equipment	10
Buildings	25

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

<u>Asset Class</u>	<u>Estimated Useful Life - Years</u>
Buildings	31.5
Building improvements	10-15
Land improvements	15
Furniture and equipment	5-10

8. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, contributions made to the pension plan in the 2024 fiscal year and other deferred pension outflows. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category - property taxes receivable and deferrals of pension expense that result from the implementation of GASB Statement 68.

Notes to the Financial Statements (continued)

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, as well as issuance costs, 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 premium or discount. 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.

For governmental fund types, bond issuance costs are recognized during the current period. Bond proceeds are reported as other financing sources. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The vacation policy of the Town and ABC Board provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide funds and proprietary funds, and ABC Board an expense and liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has not recognized a current liability due to the immaterial nature of this liability.

The Town and ABC Board's sick leave policy 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 Town nor the ABC Board has any obligation for the accumulation of sick leave until it is actually taken, no accrual for sick leave has been made.

Notes to the Financial Statements (continued)

11. Net position / Fund Balances

Net position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted by USDA – escrow required by USDA loan

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

Notes to the Financial Statements (continued)

11. Net position / Fund Balances (continued)

Assigned fund balance – portion of fund balance that the Town of Mocksville intends to use for specific purposes. A portion is assigned for subsequent years expenditures not already restricted or committed. A portion is assigned for subsequent years expenditures associated with the purchase of a fire truck.

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

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

12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions None were noted.

B. Deficit in Fund Balance or Net position of Individual Funds None were noted.

C. Excess of Expenditures over Appropriations None were noted.

III. Detail Notes on All Funds and Account Groups

A. Assets:

1. Deposits

All the deposits of the Town, the Tourism Development Authority and 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 Town's, the Tourism Development Authority's and 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 Town, the Tourism Development Authority and ABC Board, these deposits are considered to be held by the Town's, the Tourism Development Authority's and ABC Board's agents in their names. The amount of the pledged collateral is based on an approval averaging method for non-interest bearing

Notes to the Financial Statements (continued)

1. Deposits (continued)

deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, the Tourism Development Authority, ABC Board or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town, the Tourism Development Authority and ABC Board under the Pooling Method, the potential exists to undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with provisions of GS 159-31 when designating official depositories and verifying that deposits are properly secured. The Tourism Development Authority and ABC Board have no formal policy regarding custodial credit risk for deposits.

At June 30, 2024, the Town's deposits had a carrying amount of \$3,861,090 and a bank balance of \$3,871,357. The bank balances of the Town were covered by \$500,000 of federal depository insurance. The remaining balance of deposits is collateralized under the Pooling Method as enumerated above. At June 30, 2024, the Town's petty cash fund totaled \$500.

At June 30, 2024, the TDA's deposits had a carrying amount of \$246,273 and a bank balance of \$247,604. The bank balances of the TDA are covered by up to \$250,000 of federal depository insurance.

At June 30, 2024, the ABC Board's deposits had a carrying amount of \$343,693 and a bank balance of \$308,583. The bank balances of the ABC Board are covered by up to \$250,000 of federal depository insurance. The remaining balance of deposits is collateralized under the Pooling Method as enumerated above. The Board maintains working funds of \$4,200.

2. Investments

At June 30, 2024, the Town had \$15,298,438 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

3. Receivable - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2024 is net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2024</u>
Accounts receivable - Enterprise Fund	\$1,747

Notes to the Financial Statements (continued)

4. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 627,526	\$ 200,959	\$ -	\$ 828,485
Improvements	-	-	-	-
CWIP	-	2,585,585	-	2,585,585
Total capital assets not being depreciated:	<u>627,526</u>	<u>2,786,544</u>	<u>-</u>	<u>3,414,070</u>
Capital assets being depreciated:				
Road improvements	4,091,622	-	-	4,091,622
Economic development	1,487,989	-	-	1,487,989
Buildings	3,483,711	96,160	-	3,579,871
Vehicles	3,716,548	-	-	3,716,548
Equipment	1,763,012	192,230	-	1,955,242
Total capital assets being depreciated:	<u>14,542,882</u>	<u>288,390</u>	<u>-</u>	<u>14,831,272</u>
Less, accumulated depreciation for:				
Road improvements	2,483,551	80,464	-	2,564,015
Economic development	524,720	59,520	-	584,240
Buildings	1,947,107	110,712	-	2,057,819
Vehicles	2,838,737	100,839	-	2,939,576
Equipment	1,263,462	122,366	-	1,385,828
Total accumulated depreciation	<u>9,057,577</u>	<u>473,901</u>	<u>-</u>	<u>9,531,478</u>
Total assets being depreciated, net	<u>5,485,305</u>			<u>5,299,794</u>
Governmental activity capital assets, net	<u>\$ 6,112,829</u>			<u>\$ 8,713,862</u>

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

General government	\$194,500
Public safety	147,358
Cultural and recreation	3,651
Transportation	128,391
	<u>\$473,901</u>

The following is a summary of fixed assets of the ABC Board at June 30, 2024:

	Useful Life	Cost	Accumulated Depreciation	Net
Land		\$ 30,000	\$ -	\$ 30,000
Land improvements	15 yrs	17,652	15,004	2,648
Buildings	31.5 yrs	108,590	108,590	-
Furniture/equipment	5-10 yrs	310,708	110,473	200,235
Building improvements	10-15 yrs	183,971	88,636	95,335
Totals		<u>\$ 650,921</u>	<u>\$ 322,703</u>	<u>\$ 328,218</u>

Depreciation expense for the year ended June 30, 2024 was \$51,155.

Notes to the Financial Statements (continued)

4. Capital Assets (continued)

The following is a summary of fixed assets of the proprietary fund at June 30, 2024:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water and sewer fund:				
Capital assets not being depreciated				
Land	\$ 46,446	\$ -	\$ -	\$ 46,446
Construction in progress	2,546,706	2,699,256	-	5,245,962
Total not being depreciated	2,593,153	2,699,256	-	5,292,409
Capital assets being depreciated:				
Equipment	2,448,589	26,198	-	2,474,787
Water plant and lines	10,414,591	20,886	-	10,435,477
Sewer plant and lines	21,554,098	20,886	-	21,574,984
Total capital assets being depreciated:	34,417,278	67,970	-	34,485,248
Less, accumulated depreciation for:				
Equipment	2,052,055	109,498	-	2,161,553
Water plant and lines	5,890,474	178,554	-	6,069,028
Sewer plant and lines	9,632,509	395,092	-	10,027,601
Total accumulated depreciation	17,575,038	683,144	-	18,258,182
Total assets being depreciated, net	16,842,240			16,227,066
Business-type activity capital assets, net	<u>\$ 19,435,391</u>			<u>\$ 21,519,473</u>

B. Liabilities:

1. Pension Plan Obligations:

a. Local Governmental Employees' Retirement System

Plan Description. The Town and ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

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 beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town and ABC Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2024, was 12.10% 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 Town were \$199,275 for the year ended June 30, 2024. For the ABC Board, the contractually required contribution rate for the year ended June 30, 2024, was 13.10% of compensation for law enforcement officers and 12.10% for general employees. Contributions to the pension plan from the ABC Board were \$13,056 for the year ended June 30, 2024.

Refunds of Contributions – Town and ABC Board 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.

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

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

At June 30, 2024, the Town and ABC Board reported a liability of \$1,217,057 and \$74,245 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024 (as measured at June 30, 2023), the Town's proportion was 0.01838%, which was an increase of 0.0144% from its proportion as of June 30, 2023 (as measured at June 30, 2022). At June 30, 2024 (as measured at June 30, 2023), the ABC Board's proportion was 0.00112%, which was a decrease of 0.00123% from its proportion as of June 30, 2023 (as measured at June 30, 2022).

For the year ended June 30, 2024, the Town recognized pension expense of \$273,512. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,616	\$ 2,920
Changes of assumptions	51,718	-
Net difference between projected and actual earnings on pension plan investments	325,738	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	14,219	154,935
Town contributions subsequent to the measurement date	199,275	-
Total	\$ 726,566	\$ 157,855

\$199,275 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ 103,724
2026	29,518
2027	222,421
2028	13,774
	\$ 369,437

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

For the year ended June 30, 2024, the ABC Board recognized pension expense of \$18,721. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,273	\$ 178
Changes of assumptions	3,155	-
Net difference between projected and actual earnings on pension plan investments	19,871	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,888	30,246
Board's contributions subsequent to the measurement date	17,813	-
Total	\$ 54,000	\$ 30,424

\$17,813, reported as deferred outflows of resources related to pensions resulting from ABC Board contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ 2,094
2026	(1,569)
2027	4,396
2028	842
	\$ 5,763

Actuarial Assumptions. The total pension liability in the December 31, 2022 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 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table 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

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study from December 31, 2015 through December 31, 2019.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 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 2023 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. 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.

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

Sensitivity of the Town and ABC Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town and ABC Board's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the Town and ABC Board'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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 2,108,506	\$ 1,217,058	\$ 483,135
ABC Board's proportionate share of the net pension liability (asset)	\$ 128,626	\$ 74,245	\$ 29,473

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

Total Expense, 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	Total
Pension Expense	\$ 273,512	\$ 273,512
Pension Liability	1,217,058	1,217,058
Proportionate share of the net pension liability	0.01838%	
Deferred of Outflows of Resources		
Differences between expected and actual experience	135,616	135,616
Changes of assumptions	51,718	51,718
Net difference between projected and actual earnings on plan investments	325,738	325,738
Changes in proportion and differences between contributions and proportionate share of contributions	14,219	14,219
Benefit payments and administrative costs paid subsequent to the measurement date	199,278	199,278
Deferred of Inflows of Resources		
Differences between expected and actual experience	22,920	22,920
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	154,935	154,935

Notes to the Financial Statements (continued)

c. Supplemental Retirement Income Plan for Employees

Plan Description. The Town and ABC Board contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to 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 GS Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The Town also provided this same benefit to other eligible employees beginning as of July 1, 1998.

The Town and ABC Board made contributions of \$53,415 and \$5,865, respectively, for the reporting year. No amounts were forfeited.

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

Plan description. The State of North Carolina contributes, on behalf of the Town of Mocksville, to the Firefighter's and Rescue Squad Workers' Pension Fund (Fund), 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 that have elected to become members of the fund. Article 86 of GS 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 Firefighter's and Rescue Workers' Pension Fund is included in the comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information of the fund. That report may be obtained by writing to the Office of the State Controller, 3512 Bush Street, Raleigh, North Carolina 27609, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute \$15 per month to the fund. The State, a nonemployer contributor, funds the plan through appropriations. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly.

Notes to the Financial Statements (continued)

e. Other Post-Employment Benefits

Plan Description: Under the terms of a Town resolution, the Town provides for a health care benefit plan for those who leave service with thirty years of qualified service with the state retirement system with the Town. The Town pays for the full cost of these benefits through private insurers. The Town Commissioners may amend the plan.

As of June 30, 2022, membership in the plan consisted of the following:

Retirees	8
Terminated plan members entitled to but not receiving benefits	0
Active plan members	<u>25</u>
Total	33

Total OPEB Liability

The Town's total OPEB liability of \$0 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2023 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 percent
Salary increases	3.25 -8.41 percent, average, including inflation
Discount rate	3.54 percent
Healthcare cost trend rates	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2024

The discount rate used the TOL was based on the June average of the Bond Buyer General Obligation 20 Year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the Total OPEB Liability

Balance at 6-30-23	\$	381,979
Changes for the year		
Service cost		67,570
Interest		74,667
Changes of benefit terms		-
Differences between expected and actual experience		(437,374)
Changes in assumptions or other inputs		(8,578)
Benefit payments		<u>(78,263)</u>
Net changes		<u>(381,978)</u>
Balance at 6-30-24	\$	-

Notes to the Financial Statements (continued)

e. Other Post-Employment Benefits (continued)

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.65%.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an 5 year actuarial experience study ending December 2019.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 118,706	\$ -	\$ (117,038)

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

For the year ended June 30, 2024, the Town recognized OPEB expense of (\$34,110). At June 30, 2024, the Town 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	\$ 183,899	\$ 796,594
Changes of assumptions	343,505	472,785
Benefit payments and administrative costs made subsequent to the measurement date	-	
Total	\$ 527,404	\$ 1,269,379

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (176,347)
2026	(144,638)
2027	(126,464)
2028	(114,425)
2029	(97,702)
Thereafter	(82,399)

Notes to the Financial Statements (continued)

2. Deferred Outflows and Inflows of Resources

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

Source	Amount
Deferred outflows for pensions and OPEB	\$1,253,970
Total	<u>\$1,253,970</u>

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

Source	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable	\$0	\$58,227
Deferred inflows for OPEB	1,269,379	-
Deferred inflows for pensions	157,855	-
Total	<u>\$1,427,234</u>	<u>\$58,227</u>

3. Commitments

The Town had the following outstanding commitments at June 30, 2024:

	Commitment	Expended	Balance
Knight/Brakebush Brothers	\$ 4,462,908	\$ 4,027,960	\$ 434,948
Liberty Storage	1,162,750	440,485	722,265
Asset Inventory Grant - Water	200,000	182,788	17,212
Asset Inventory Grant - Wastewater	200,000	185,533	14,467
State Fiscal Recovery Fund North Elevated tank	4,190,309	219,357	3,970,952
State Fiscal Recovery Fund Pump Station	1,537,777	189,840	1,347,937
Downtown revitalization	4,900,000	2,585,585	2,314,415

4. Risk Management

The Town is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage up to \$12,684,321 per building per occurrence, workers' compensation coverage up to the statutory limits, and employee health coverage up to a \$1 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability and auto liability in excess of \$500,000, up to \$500,000 for property, and \$250,000 up to \$5 million for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit of \$1,000,000 for the aggregate losses in a single year. After the property pool has paid out \$1,000,000, then the pool will be liable for a \$10,000 per claim maintenance deductible on future property losses for that year. The remainder of each claim will be borne by the reinsurer.

Notes to the Financial Statements (continued)

4. Risk Management (continued)

The Town carries commercial coverage for all other risks of loss. The Town has had no claims during this year or the prior two years.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$1,000,000 based on revenues. The remaining employees are bonded under a blanket bond of \$25,000. The finance officer for the TDA was individually bonded for \$50,000 in the TDA name. In accordance with GS18B-700(i) and GS 18B-803(b), each Board member and employees designated as general manager and finance officer for Mocksville – Cooleemee ABC Board are bonded in the amount of \$50,000.

5. Long-Term Obligations

a. Capital leases

All capital leases were extinguished with the closing of the police department.

b. Long-term Debt

The Town had the following obligations outstanding at June 30, 2024:

USDA Rural Economic Development Loan (thru EnergyUnited EMC) \$1,000,000 at 0% interest dated 11-10-15; annual payments of \$100,000 due for 10 years.

Future maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 100,000	\$ -	\$ 100,000
2026	100,000	-	100,000
	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>

Notes to the Financial Statements (continued)

b. Long-term Debt (continued)

On February 6, 2018, the Town entered into a revolving loan agreement for \$3,944,493 with the US Environmental Protection Agency through NC department of Drinking Water Infrastructure for waste water treatment plant renovations. The financing contract requires 20 annual principal payments of \$195,796 plus interest payment at 1.16% interest beginning May 1, 2022. The obligation is collateralized by the full faith and credit of the Town and is callable if payments are substantially past due. As of June 30, 2024, \$3,944,493 had been advanced with three principal payments made, with a balance of \$3,121,301.

Annual debt service requirements to maturity for long-term obligation, including \$297,344 of interest are as follows:

Year Ending June 30	Water and Sewer Fund		
	Principal	Interest	Payment
2025	\$ 195,796	36,280	\$ 232,076
2026	195,796	34,068	229,864
2027	195,796	31,798	227,594
2028	195,796	29,527	225,323
2029	195,796	27,256	223,052
2030-34	978,980	86,253	1,065,233
2035-39	978,980	38,561	1,017,541
2040-41	184,361	13,601	197,962
	<u>\$ 3,121,301</u>	<u>\$ 297,344</u>	<u>\$ 3,418,645</u>

c. Changes in Long-term Liabilities

	Balance			Balance June 30, 2024	Current Portion of Balance
	June 30, 2023	Increases	Decreases		
Governmental activities:					
OPEB obligation	\$ 316,180	\$ -	\$ 316,180	\$ -	\$ -
USDA - EnergyUnited #1	300,000		100,000	200,000	100,000
Pension liability	771,887	227,931	-	999,818	-
Accrued Vacation	76,752	19,394	-	96,146	-
	<u>1,464,819</u>	<u>247,325</u>	<u>416,180</u>	<u>1,295,964</u>	<u>100,000</u>
Business-type activities					
State Revolving Loan	3,317,097	-	195,796	3,121,301	195,795
OPEB obligation	65,799	-	65,799	-	-
Pension liability	183,771	33,468	-	217,239	-
Accrued Vacation	25,805	-	1,183	24,622	-
	<u>\$ 3,731,003</u>	<u>\$ 33,468</u>	<u>\$ 262,778</u>	<u>\$ 3,363,162</u>	<u>\$ 195,795</u>

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

At June 30, 2024, the Town had no bonds authorized but unissued and a legal debt margin of \$99,857,766.

Notes to the Financial Statements (continued)

C. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2024 is as follows:

Due to/from other funds:

	To	General Fund	\$2,430,127
	To	General Capital Project	2,314,415
	From	Water and Sewer Fund	4,744,452

These interfund loans were used to fund enterprise capital projects. The Board and management have adopted a repayment schedule of \$50,000 during the current year and each subsequent year.

D. On-Behalf of Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2024, the Town of Mocksville has recognized on-behalf of payments for pension contributions made by the State as a revenue and expenditure of \$4,621 for ten paid firemen who perform firefighting duties for the Town's fire department. The volunteers elected to be members of the Firemen and Rescue Worker's 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 \$15 monthly contribution paid by the Town, investment income, and State appropriation.

E. Net Investment in Capital Assets

Capital Assets	\$ 8,713,862	\$ 21,519,473	
less: long-term debt	-	3,121,301	
add: unexpended debt proceeds	-	-	
Net investment in capital assets	\$ 8,713,862	\$ 18,398,172	

F. Fund Balance

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

Total fund balance - General Fund	\$ 13,424,867
Less:	
Stabilization by State Statute	2,727,172
Streets	173,264
USDA REDLG	200,000
Firetruck Reserve	378,627
Remaining Fund Balance	\$ 9,945,804

Notes to the Financial Statements (continued)

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

<u>Encumbrances</u>	<u>General Fund</u>	<u>Non-Major Funds</u>
	\$0	

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

V. Significant Effects of Subsequent Events

Subsequent events occurring after the statement of financial position date have been evaluated through November 13, 2024, which is the date the financial statements were available to be issued.

Town of Mocksville, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2024

Total OPEB liability	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 381,979	\$ 839,594	\$ 759,561	\$ 95,524	\$ 666,085	\$ 634,093	\$ 703,755	\$ 638,066
Service Cost	67,570	100,627	142,171	92,232	121,847	129,339	146,575	132,792
Interest on total pension liability	74,657	56,274	57,006	65,594	91,567	82,536	72,066	88,142
Differences between expected and actual experience in the measurement of the total pension liability	(428,374)	14,745	309,714	1,168	(738,301)	4,975	(4,872)	-
Changes of assumptions or other inputs	(8,578)	(553,103)	95,926	538,492	(15,128)	(147,323)	(257,611)	-
Benefit payments	(87,263)	(76,157)	(50,767)	(33,448)	(30,545)	(37,535)	(25,810)	(135,246)
Other changes	-	-	(474,016)	-	-	-	-	-
Ending balance of the total OPEB liability	<u>\$ -</u>	<u>\$ 381,979</u>	<u>\$ 839,594</u>	<u>\$ 759,561</u>	<u>\$ 95,524</u>	<u>\$ 666,085</u>	<u>\$ 634,083</u>	<u>\$ 703,755</u>
Covered payroll	\$ 1,124,073	\$ 905,783	\$ 905,783	\$ 1,422,644	\$ 1,422,644	\$ 1,426,205	\$ 1,426,205	\$ 1,426,205
Total OPEB liability as a percentage of covered payroll	0.00%	42.17%	92.69%	53.39%	6.71%	46.70%	44.46%	44.46%

Notes to Schedule

Changes in assumptions: Changes of assumptions and other inputs reflects the effects of changes in the discount rate of each period. The following are the discount rates used in each period.

Fiscal year	Rate
2024	3.64%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.65%

Town of Mocksville, North Carolina
Town of Mocksville's Contributions
Required Supplementary Information
Last Ten Fiscal Years

Local Government Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 199,278	\$ 169,616	\$ 129,945	\$ 210,045	\$ 185,542	\$ 163,625	\$ 157,114	\$ 120,005	\$ 125,197	\$ 119,877
Contributions in relation to the contractually required contribution	199,278	169,616	129,945	210,045	185,542	163,625	157,114	120,005	125,197	119,877
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mocksville's covered-employee payroll	\$ 1,564,602	\$ 1,416,724	\$ 1,149,830	\$ 2,002,914	\$ 1,986,752	\$ 2,001,178	\$ 1,977,555	\$ 1,558,023	\$ 1,818,863	\$ 1,710,303
Contributions as a percentage of covered-employee payroll	12.74%	11.97%	11.30%	10.49%	9.34%	8.18%	7.94%	7.70%	6.88%	7.01%

Town of Mocksville's Proportionate Share of Net Pension Liability (Asset)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Mocksville's proportion of the net pension liability (asset) (%)	0.01838%	0.01694%	0.02809%	0.03121%	0.03091%	0.02760%	0.02270%	0.02616%	0.02918%	0.02898%
Mocksville's proportion of the net pension liability (asset) (\$)	\$ 1,217,058	\$ 955,658	\$ 430,788	\$ 1,115,266	\$ 844,128	\$ 654,766	\$ 346,793	\$ 555,203	\$ 130,959	\$ (170,908)
Mocksville's covered-employee payroll*	\$ 1,416,724	\$ 1,149,830	\$ 2,002,914	\$ 1,986,752	\$ 2,001,178	\$ 1,977,555	\$ 1,558,023	\$ 1,818,863	\$ 1,710,303	\$ 1,667,644
Mocksville's proportionate share of the net pension liability (asset) as a percentage of	85.91%	83.11%	21.51%	56.14%	42.18%	33.11%	22.26%	30.52%	7.66%	(10.25%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	91.63%	91.68%	94.18%	91.47%	98.09%	102.64%

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

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

Town of Mocksville, North Carolina
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	Actual Year ended June 30, 2023
Revenues:				
Ad valorem taxes (net of refunds):				
Taxes		\$ 3,557,083		\$ 3,247,789
Penalties and interest		52,547		17,523
	\$ 3,443,962	3,609,631	\$ 165,669	3,265,312
Other taxes and licenses:				
Vehicle fees		-		64,000
Local option sales tax		1,496,214		1,467,726
	1,264,596	1,496,214	231,618	1,531,726
Unrestricted intergovernmental revenues				
Utilities franchise tax		513,844		495,650
ABC distribution		62,847		55,200
Beer and wine tax		30,907		27,153
	533,500	607,598	74,098	578,003
Restricted intergovernmental revenues:				
Powell Bill allocation		211,353		184,462
Investment earnings - Powell Bill		6,102		3,756
On behalf payments - Fire		4,621		4,621
Restricted grants		-		57,483
Police evidence funds		-		-
Contributions from Davie County				
Rural fire protection		627,527		617,557
Fire and Police grant		414		737
	796,547	850,017	53,470	838,616
Permits and fees:				
Officer fees		-		-
Other fees		-		-
	-	-	-	-
Sales and services:				
Sale of fixed assets		483,279		25,748
Recreation fees		10,031		6,860
Cemetery fees		44,200		28,350
Landfill and other fees		416,372		390,450
	874,660	953,882	79,222	451,408

Town of Mocksville, North Carolina
General Fund (Continued)
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2023</u>
Revenues(continued):				
Investment earnings	\$ 186,489	\$ 547,061	\$ 360,572	\$ 237,014
Other revenues:				
Insurance proceeds		-		-
Miscellaneous		27,764		55,414
	<u>149,700</u>	<u>27,764</u>	<u>(121,936)</u>	<u>55,414</u>
Total revenues	<u>7,249,454</u>	<u>8,092,167</u>	<u>842,713</u>	<u>6,987,493</u>
Expenditures				
General government:				
Governing body:				
Salaries and employee benefits		39,834		40,234
Capital outlay		-		-
Other operating expenses		6,250		4,012
	<u>50,000</u>	<u>46,084</u>	<u>3,916</u>	<u>44,247</u>
Administration:				
Salaries and employee benefits		561,994		512,609
Other operating expenses		181,511		165,637
Davie County - IT and telephones		40,575		39,393
Professional		20,777		22,833
Capital outlay		286,493		77,320
	<u>1,234,485</u>	<u>1,091,349</u>	<u>143,136</u>	<u>817,792</u>
Administration: - other				
Administrative fees to Enterprise Funds		14,000		22,942
Insurance		176,666		166,262
Legal fees		40,256		39,094
Other		-		-
	<u>240,000</u>	<u>230,922</u>	<u>9,078</u>	<u>228,298</u>
Parks and maintenance:				
Salaries and employee benefits		359,727		258,307
Other operating expenses		214,746		135,867
Capital outlay		70,374		133,504
	<u>700,872</u>	<u>644,846</u>	<u>56,026</u>	<u>627,678</u>
Total general government	<u>2,225,357</u>	<u>2,013,201</u>	<u>212,156</u>	<u>1,718,014</u>

Town of Mocksville, North Carolina
General Fund (Continued)
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	Actual Year ended June 30, 2023
Expenditures (continued):				
Economic development:				
Incentives		\$ -		\$ -
Special projects		136,267		168,649
	\$ 299,297	136,267	\$ 163,030	168,649
Public safety:				
Police:				
Contracted services		1,385,451		1,379,846
Vehicle maintenance and supplies		-		-
Communications		10,500		10,500
Other operating expenses		-		2,371
Capital outlay		-		-
	1,727,857	1,395,951	331,906	1,392,717
Fire:				
Salaries and employee benefits		530,553		422,457
On-behalf payments		4,621		4,621
Vehicle maintenance and supplies		56,405		33,694
Other operating expenses		128,269		177,191
Capital outlay		95,967		79,005
	1,092,146	815,814	276,332	716,968
Total public safety	2,820,003	2,211,765	608,238	2,109,685
Transportation:				
Streets and highways:				
Salaries and employee benefits		287,643		256,873
Other operating expenses		323,057		283,313
Street / sidewalk paving repairs		39,015		56,634
Powell Bill expenditures - repairs		382,490		34,925
- Capital outlay		-		-
Capital outlay:				
Equipment		-		-
	1,099,215	1,032,205	67,010	631,745

Town of Mocksville, North Carolina
General Fund (Continued)
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2023</u>
Expenditures (continued):				
Environmental protection:				
Zoning and planning:				
Other operating expenses		\$ 37,102		\$ 3,267
Contracted services		57,716		86,035
	<u>\$ 100,000</u>	<u>94,818</u>	<u>\$ 5,182</u>	<u>5,930</u>
Sanitation:				
Landfill fees		76,049		68,963
Contracted services		321,251		261,597
	<u>397,300</u>	<u>397,300</u>	<u>-</u>	<u>350,560</u>
Total environmental protection	<u>497,300</u>	<u>492,118</u>	<u>5,182</u>	<u>409,862</u>
Cultural development:				
Salaries and employee benefits		139,952		100,946
Other operating expenses		107,127		74,334
Capital outlay		36,515		58,079
	<u>300,000</u>	<u>283,594</u>	<u>16,406</u>	<u>233,359</u>
Contributions:				
County library		33,500		33,500
County Arts Council		10,000		22,200
	<u>60,000</u>	<u>43,500</u>	<u>16,500</u>	<u>56,700</u>
Total cultural development	<u>360,000</u>	<u>327,094</u>	<u>32,906</u>	<u>289,059</u>
Debt service:				
Principal retirement		-		116,489
Interest		-		2,667
	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,156</u>
Total debt service				
Total expenditures	<u>7,301,172</u>	<u>6,212,651</u>	<u>1,088,521</u>	<u>5,446,171</u>
Revenues over (under) expenditures	<u>(51,718)</u>	<u>1,879,516</u>	<u>1,931,234</u>	<u>1,541,321</u>

Town of Mocksville, North Carolina
General Fund (Continued)
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2023</u>
Other financing sources (uses):				
Fund balance appropriated	\$ 151,718	\$ -	\$ (151,718)	\$ -
Payments on loans	(100,000)	(100,000)	-	(100,000)
Payments from Davie County - RDLG	-	-	-	-
Operating transfers to (from)				
ARPA funds	-	-	-	1,674,945
Water and sewer fund	-	-	-	-
Total other financing sources (uses)	<u>51,718</u>	<u>(100,000)</u>	<u>(151,718)</u>	<u>1,574,945</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	1,779,516	<u>\$ 1,779,516</u>	3,116,266
Fund balance:				
Beginning of year, July 1		<u>11,645,353</u>		<u>8,529,087</u>
End of year, June 30		<u>\$ 13,424,869</u>		<u>\$ 11,645,353</u>

Town of Mocksville, North Carolina
General Capital Projects Fund
Downtown Revitalization
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the fiscal year ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental State Directed Grant	\$ 4,900,000	\$ -	\$ 4,900,000	\$ 4,900,000	\$ -
Total revenues	<u>4,900,000</u>	<u>-</u>	<u>4,900,000</u>	<u>4,900,000</u>	<u>-</u>
Expenditures:					
Energy United building		-	1,982,534	1,982,534	(1,982,534)
Pedestrian Crossing		-	308,000	308,000	(308,000)
Street Light Upgrade		-	295,051	295,051	(295,051)
Total	<u>4,900,000</u>	<u>-</u>	<u>2,585,585</u>	<u>2,585,585</u>	<u>(2,585,585)</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,314,415</u>	<u>2,314,415</u>	<u>(2,585,585)</u>
Other financing sources:					
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,314,415</u>	<u>\$ 2,314,415</u>	<u>\$ 2,314,415</u>

Town of Mocksville, North Carolina
Water and Sewer Fund
Schedule of Revenue and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2023</u>
Revenues:				
Operating revenues:				
Water charges	\$ 2,112,337	\$ 2,183,815	\$ 71,478	\$ 1,958,209
Sewer charges	1,986,568	2,297,690	311,122	2,064,038
Connection/late fees	268,600	407,542	138,942	343,283
	<u>4,367,505</u>	<u>4,889,047</u>	<u>521,542</u>	<u>4,365,530</u>
Other operating revenues	<u>23,974</u>	<u>34,162</u>	<u>10,188</u>	<u>26,066</u>
Total operating revenues	<u>4,391,479</u>	<u>4,923,209</u>	<u>531,730</u>	<u>4,391,597</u>
Nonoperating revenues:				
Interest on investments	14,500	81,348	66,848	20,987
Sale of assets	-	-	-	-
Rental income	7,200	6,600	(600)	7,200
Sales tax refunds	94,000	28,472	(65,528)	69,437
	<u>115,700</u>	<u>116,420</u>	<u>720</u>	<u>976,274</u>
Other sources:				
Other grants and reimbursements	-	5,842	5,842	5,704
Sale of property	-	26,582	26,582	-
Debt proceeds	-	-	-	-
Fund balance appropriated	156,300	-	(156,300)	-
	<u>156,300</u>	<u>32,424</u>	<u>(123,876)</u>	<u>5,704</u>
Total revenues and other sources	<u>4,663,479</u>	<u>5,072,053</u>	<u>408,574</u>	<u>4,494,925</u>

Town of Mocksville, North Carolina
Water and Sewer Fund (Continued)
Schedule of Revenue and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2023</u>
Expenditures:				
Water operations:				
Salaries and employee benefits		\$ 228,403		\$ 227,169
Education and training		1,689		1,054
Supplies		314,920		336,493
Utilities		120,026		118,881
System maintenance		155,425		72,584
Other operating expenses		590,643		464,999
	<u>1,447,898</u>	<u>1,411,106</u>	<u>\$ 36,792</u>	<u>1,221,180</u>
Sewer operations:				
Salaries and employee benefits		280,268		262,348
Education and training		827		313
Supplies		130,192		152,684
Utilities		90,086		8,226
System maintenance		109,128		38,304
Other operating expenses		1,035,667		961,064
	<u>2,006,425</u>	<u>1,646,168</u>	<u>360,257</u>	<u>1,496,977</u>
Budgetary appropriations:				
Transfer to capital projects		496,054		-
Capital outlay and construction		67,969		377,257
Payment on debt		281,223		236,678
	<u>1,209,156</u>	<u>845,247</u>	<u>363,909</u>	<u>613,935</u>
Total expenditures	<u>4,663,479</u>	<u>3,902,521</u>	<u>760,958</u>	<u>3,332,091</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 1,169,533</u>	<u>\$ 1,169,533</u>	<u>\$ 1,162,834</u>

Town of Mocksville, North Carolina
Water and Sewer Fund (Continued)
Schedule of Revenue and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

Reconciliation from budgetary basis (modified accrual) to full accrual basis:

	<u>2024</u>	<u>2023</u>
Revenues over expenditures	\$ 1,169,533	\$ 1,162,834
Reconciling items:		
Budgetary appropriations excluding debt payments	564,024	377,257
Increase (decrease) in inventory	-	33,086
(Increase) decrease in accrued vacation pay	1,182	(2,813)
Depreciation	(683,143)	(721,708)
Capital Project grants	2,540,513	1,444,739
Debt service principal portion	155,045	195,796
Pension (expense) credit	(5,329)	(7,364)
OPEB expense	<u>(4,805)</u>	<u>26,996</u>
Total reconciling items	<u>2,567,487</u>	<u>1,321,689</u>
Net change in net position	<u>\$ 3,737,019</u>	<u>\$ 2,484,522</u>

Town of Mocksville, North Carolina
Sewer Capital Projects Fund
Project Knight/ Brakebush Brothers, Inc. CDBG #19-E-3100
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the fiscal year ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental					
CDBG economic development	\$ 2,000,000	\$ 1,529,806	\$ 470,194	\$ 2,000,000	\$ -
DEQ economic development	1,091,250	-	1,091,250	1,091,250	-
	<u>3,091,250</u>	<u>1,529,806</u>	<u>1,561,444</u>	<u>3,091,250</u>	<u>-</u>
Other revenues:					
Golden Leaf	450,000	-	360,000	360,000	(90,000)
Total revenues	<u>3,541,250</u>	<u>1,529,806</u>	<u>1,921,444</u>	<u>3,451,250</u>	<u>(90,000)</u>
Expenditures:					
Water improvements		1,204,390	1,983,456	3,187,846	
Sewer improvements		311,737	47,552	359,289	
Engineering		310,034	45,799	355,833	
Easements		45,419	73	45,492	
Aministration		65,900	13,600	79,500	
Total	<u>4,462,908</u>	<u>1,937,480</u>	<u>2,090,480</u>	<u>4,027,960</u>	<u>434,948</u>
Revenues over expenditures	<u>(921,658)</u>	<u>(407,674)</u>	<u>(169,036)</u>	<u>(576,710)</u>	<u>344,948</u>
Other financing sources:					
Operating fund - Sewer	921,658	-	496,054	496,054	(425,604)
Total other financing sources	<u>921,658</u>	<u>-</u>	<u>496,054</u>	<u>496,054</u>	<u>(425,604)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (407,674)</u>	<u>\$ 327,018</u>	<u>\$ (80,656)</u>	<u>\$ (80,656)</u>

Town of Mocksville, North Carolina
Sewer Capital Projects Fund
Project Liberty Storage CDBG #20-E-3621
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the fiscal year ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental					
CDBG economic development	\$ 250,000	\$ 186,485	\$ -	\$ 186,485	\$ (63,515)
Other revenues:					
NC Railroad	350,000	-	-	-	(350,000)
Liberty Storage	228,750	-	-	-	(228,750)
Golden Leaf	250,000	250,000	-	250,000	-
Total revenues	<u>1,078,750</u>	<u>436,485</u>	<u>-</u>	<u>436,485</u>	<u>(642,265)</u>
Expenditures:					
Street improvements	349,000	250,000	-	250,000	99,000
Rail improvements	479,750	-	-	-	479,750
Sewer improvements	334,000	190,485	-	190,485	143,515
Total	<u>1,162,750</u>	<u>440,485</u>	<u>-</u>	<u>440,485</u>	<u>722,265</u>
Revenues over expenditures	<u>(84,000)</u>	<u>(4,000)</u>	<u>-</u>	<u>(4,000)</u>	<u>80,000</u>
Other financing sources:					
Operating fund - Sewer	84,000	-	-	-	(84,000)
Total other financing sources	<u>84,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (4,000)</u>	<u>\$ -</u>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>

Town of Mocksville, North Carolina
Sewer Capital Projects Fund
Asset Inventory Grant - Water
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the fiscal year ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental					
Division of Water Infrastructure	\$ 200,000	\$ 40,337	\$ 133,508	\$ 173,845	\$ (26,155)
Total revenues	<u>200,000</u>	<u>40,337</u>	<u>133,508</u>	<u>173,845</u>	<u>(26,155)</u>
Expenditures:					
Asset inventory	200,000	65,895	116,893	182,788	17,212
Total	<u>200,000</u>	<u>65,895</u>	<u>116,893</u>	<u>182,788</u>	<u>17,212</u>
Revenues over expenditures	<u>-</u>	<u>(25,558)</u>	<u>16,615</u>	<u>(8,943)</u>	<u>(8,943)</u>
Other financing sources:					
Operating fund - Sewer	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (25,558)</u>	<u>\$ 16,615</u>	<u>\$ (8,943)</u>	<u>\$ (8,943)</u>

Town of Mocksville, North Carolina
Sewer Capital Projects Fund
Asset Inventory Grant - Wastewater
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the fiscal year ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental					
Division of Water Infrastructure	\$ 200,000	\$ 32,962	\$ 146,147	\$ 179,109	\$ (20,891)
Total revenues	<u>200,000</u>	<u>32,962</u>	<u>146,147</u>	<u>179,109</u>	<u>(20,891)</u>
Expenditures:					
Asset inventory	200,000	78,307	107,226	185,533	14,467
Total	<u>200,000</u>	<u>78,307</u>	<u>107,226</u>	<u>185,533</u>	<u>14,467</u>
Revenues over expenditures	<u>-</u>	<u>(45,345)</u>	<u>38,921</u>	<u>(6,424)</u>	<u>(6,424)</u>
Other financing sources:					
Operating fund - Sewer	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (45,345)</u>	<u>\$ 38,921</u>	<u>\$ (6,424)</u>	<u>\$ (6,424)</u>

Town of Mocksville, North Carolina
Sewer Capital Projects Fund
State Fiscal Recovery Fund North Elevated Tank
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the fiscal year ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental State Fiscal Recovery Fund	\$ 3,162,223	\$ -	\$ 193,153	\$ 193,153	\$ (2,969,070)
Total revenues	<u>3,162,223</u>	<u>-</u>	<u>193,153</u>	<u>193,153</u>	<u>(2,969,070)</u>
Expenditures:					
Elevated water tank construction	4,190,309	12,020	207,337	219,357	3,970,952
Total	<u>4,190,309</u>	<u>12,020</u>	<u>207,337</u>	<u>219,357</u>	<u>3,970,952</u>
Revenues over expenditures	<u>(1,028,086)</u>	<u>(12,020)</u>	<u>(14,184)</u>	<u>(26,204)</u>	<u>1,001,882</u>
Other financing sources:					
Operating fund - Sewer	1,028,086	-	-	-	(1,028,086)
Total other financing sources	<u>1,028,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,028,086)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (12,020)</u>	<u>\$ (14,184)</u>	<u>\$ (26,204)</u>	<u>\$ (26,204)</u>

Town of Mocksville, North Carolina
Sewer Capital Projects Fund
State Fiscal Recovery Fund Pump Station
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the fiscal year ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental State Fiscal Recovery Fund	\$ 1,537,777	\$ 12,520	\$ 146,261	\$ 158,781	\$ (1,378,996)
Total revenues	<u>1,537,777</u>	<u>12,520</u>	<u>146,261</u>	<u>158,781</u>	<u>(1,378,996)</u>
Expenditures:					
Pump station and force main	1,537,777	12,520	177,320	189,840	1,347,937
Total	<u>1,537,777</u>	<u>12,520</u>	<u>177,320</u>	<u>189,840</u>	<u>1,347,937</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>(31,059)</u>	<u>(31,059)</u>	<u>(31,059)</u>
Other financing sources:					
Operating fund - Sewer	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,059)</u>	<u>\$ (31,059)</u>	<u>\$ (31,059)</u>

Town of Mocksville, North Carolina
Schedule of Changes in Ad Valorem Taxes Receivable
For the Year Ended June 30, 2024

<u>Year of Levy</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2024</u>
2024		\$ 3,619,840	\$ 3,592,038	\$ 27,802
2023	\$ 21,998		11,160	10,838
2022	8,275		2,177	6,098
2021	4,638		1,014	3,624
2020	4,638		1,525	3,113
2019	4,204		1,650	2,554
2018	3,478		1,545	1,933
2017	1,937		939	998
2016	998		186	812
2015	966		511	455
2014 and prior	459		459	-
	<u>\$ 51,591</u>	<u>\$ 3,619,840</u>	<u>\$ 3,613,204</u>	
Ad Valorem Taxes Receivable - Net				<u>\$ 58,227</u>
Reconcilement with Revenues:				
Tax - Ad Valorem				\$ 3,557,083
Other Adjustments				<u>56,121</u>
Total collections and credits				<u>\$ 3,613,204</u>

Town of Mocksville, North Carolina
Analysis of Current Tax Levy
For the Year Ended June 30, 2024

	Property Valuation	Rate	Total Levy	Total Levy	
				Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Tax Levy - Town Wide	\$ 1,248,220,690	\$ 0.29	\$ 3,619,840	\$ 3,401,354	\$ 218,486
Discoveries	-		-	-	-
Abatements and Releases	-		-	-	-
Total for Year	<u>\$ 1,248,220,690</u>		<u>3,619,840</u>	<u>3,401,354</u>	<u>218,486</u>
Less, Uncollected Tax at June 30, 2024			<u>27,802</u>	<u>27,802</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 3,592,038</u>	<u>\$ 3,373,552</u>	<u>\$ 218,486</u>
Percent Current Year Collected			99.23%	99.18%	100.00%

Town of Mocksville, North Carolina
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2024

<u>Name</u>	<u>Property Value</u>	<u>Tax Levy</u>	<u>Percentage of Total Assessed Valuation</u>
Brakebush Brothers	\$ 113,810,867	\$ 330,052	10.17%
Gildan	92,222,779	267,446	8.24%
Avgol	90,909,826	263,638	8.13%
Ingersol Rand	44,076,497	127,822	3.94%
Kontoor Brands	30,367,877	88,067	2.71%
Special Events Services	24,557,367	71,216	2.20%
Funder America	19,744,386	57,259	1.76%
Newington Crown LP	19,489,680	56,520	1.74%
Angel Revocable Trust	9,656,100	28,003	0.86%
Carolina Drilling Blasting Inc	9,117,175	26,440	0.81%
	<u>\$ 453,952,554</u>	<u>\$ 1,316,462</u>	<u>40.56%</u>

EDDIE CARRICK, CPA, PC

Certified Public Accountant

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*

Independent Auditor's Report

To the Honorable Mayor and
Town Council
Town of Mocksville, North Carolina

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Mocksville, North Carolina, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprises the Town of Mocksville's basic financial statements, and have issued my report thereon dated November 13, 2024.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town of Mocksville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Mocksville's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town'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.

My 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 my audit I did not identify any deficiencies in internal control that I consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Mocksville's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in the accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eddie Carrick, CPA

A handwritten signature in black ink that reads "Eddie Carrick, CPA". The signature is written in a cursive style with a large initial "E" and "C".

Lexington, North Carolina
November 13, 2024

EDDIE CARRICK, CPA, PC
Certified Public Accountant

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB
Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
Town of Mocksville, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited the Town of Mocksville, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Mocksville's major federal programs for the year ended June 30, 2024. The Town of Mocksville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the Town of Mocksville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

I conducted my 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. My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report. I am required to be independent of The Town of Mocksville and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Town of Mocksville'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 The Town of Mocksville's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 The Town of Mocksville's compliance based on my 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 The Town of Mocksville's compliance with the requirements of each major federal program as a whole.

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

- 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 The Town of Mocksville's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- obtain an understanding of The Town of Mocksville'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 The Town of Mocksville's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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 federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My 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 my audit, I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

My 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 my 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.

Eddie Carrick, CPA, PC



Lexington, North Carolina
November 13, 2024

EDDIE CARRICK, CPA, PC

Certified Public Accountant

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

Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
Town of Mocksville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

I have audited the Town of Mocksville, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Mocksville's major state programs for the year ended June 30, 2024. The Town of Mocksville's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the Town of Mocksville 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, 2024.

Basis for Opinion on Each Major State Program

I conducted my 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 State Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for State Awards* (Uniform Guidance) and the State Single Audit Implementation Act. My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report. I am required to be independent of The Town of Mocksville and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my opinion on compliance for each major state program. My audit does not provide a legal determination of the Town of Mocksville'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 The Town of Mocksville's state programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 The Town of Mocksville's compliance based on my 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 The Town of Mocksville'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, I

- 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 The Town of Mocksville's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- obtain an understanding of The Town of Mocksville'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 The Town of Mocksville's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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.

My 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 my audit, I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

My 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 my 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.

Eddie Carrick, CPA, PC



Lexington, North Carolina
November 13, 2024

Town of Mocksville, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

I. Summary of Auditor's Results

Financial statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

* Material weakness(es) identified? ___ yes X no

* Significant Deficiency(s) identified that are not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted ___ yes X no

Federal awards

* Material weakness(es) identified? ___ yes X no

* Significant Deficiency(s) identified that are not considered to be material weaknesses? ___ yes X none reported

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

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

Identification of major federal programs:

Table with 2 columns: Program Name, FALN. Row 1: US Department of the Treasury, 21.027

Dollar threshold to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee? ___ yes X no

State awards

* Material weakness(es) identified? ___ yes X no

* Significant Deficiency(s) identified that are not considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major state programs: unqualified

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

Identification of major state programs:

Table with 2 columns: Program Name, ID #. Row 1: Office of State Budget and Management - State Directed Grant - Regional Economic Development Reserve, 12761

Auditee qualified as low risk auditee? ___ yes X no

Town of Mocksville, North Carolina
Financial Statement Findings
For the Year Ended June 30, 2024

II Financial Statement Findings

Material weakness

None reported

III Federal Award Findings and Questioned Costs

None reported

