

**Town of Green Level
Green Level, 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 Green Level
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June 30, 2024**

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TONY BREWER, CPA, PC
Certified Public Accountant

Independent Auditor's Report

To the Honorable Mayor and Town Council
Town of Green Level, North Carolina

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Green Level, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our 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 Green Level as of June 30, 2024, and the respective changes in financial position, the respective budgetary comparison for the General Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Green Level, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Green Level'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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive 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 Green Level 's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Green Level 's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 13, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 46 - 47, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Green Level, North Carolina's basic financial statements. The individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Tony Brewer". The signature is written in a cursive, flowing style.

Tony Brewer, CPA, PC
Lexington, North Carolina
October 21, 2024

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Management's Discussion and Analysis

As management of the Town of Green Level, we offer the readers of the Town of Green Level's financial statements this narrative overview and analysis of the financial activities of the Town of Green Level 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.

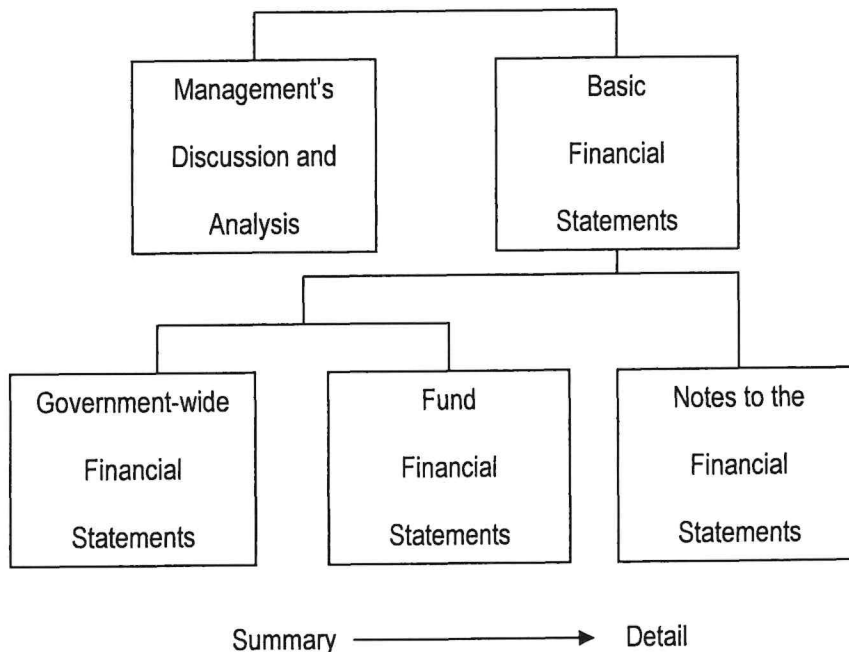
Financial highlights

- The assets and deferred outflows or resources of the Town of Green Level exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,288,964 (*net position*).
- The government's total net position increased by \$349,405, primarily due to governmental fund and business type activities.
- As of the close of the current fiscal year, the Town of Green Level's governmental funds reported combined ending fund balances of \$3,153,594, with a net increase of \$173,331 in fund balance. Approximately 25% of this total amount, or \$779,970, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,373,624 or 127% of total general fund expenditures for the fiscal year.
- The Town of Green Level's total debt and long-term liabilities decreased by \$203,276 during the current fiscal year. The key factors in this decrease were principal payments of \$232,002, a net increase in net pension liability of \$27,210 and an increase of \$1,516 in compensated absences.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Green Level'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 Green Level.

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 8) 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 two parts to the Fund Financial Statements: 1) the governmental fund statements; and 2) 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 they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety and general administration. Utility franchise and excise taxes and sales taxes finance most of these activities. The business-type activities are those that municipalities generally charge fees for.

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 Green Level, 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 Green Level 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 government 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.

The Town of Green Level 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 Council 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.

Management Discussion and Analysis
Town of Green Level

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 Council; 2) the final budget as amended by the Council; 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 Green Level has only one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Green Level uses enterprise funds to account for its water and sewer activity and operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to the full understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

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

Management Discussion and Analysis
Town of Green Level

Town of Green Level's Net Position (Figure 2)
June 30, 2024 and June 30, 2023

	<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	\$ 3,343,760	\$ 3,256,570	\$ 1,308,190	\$ 1,505,641	\$ 4,651,950	\$ 4,762,211
Capital assets	3,631,455	3,578,458	6,259,754	6,027,165	9,891,209	9,605,623
Deferred outflows of resources	55,033	43,428	1,371	-	56,404	-
Total assets and deferred outflows of resources	7,030,248	6,878,456	7,569,315	7,532,806	14,599,563	14,367,834
Long-term liabilities	1,704,387	1,703,290	2,137,917	2,342,289	3,842,304	4,045,579
Other Liabilities	147,290	224,079	306,146	173,418	453,436	397,497
Deferred inflows of resources	14,496	28,626	361	-	14,857	28,626
Total liabilities and deferred inflows of resources	1,866,173	1,955,995	2,444,424	2,515,707	4,310,597	4,471,702
Net position:						
Net investment in capital assets	2,030,976	1,953,412	4,127,756	3,687,732	6,158,732	5,641,144
Restricted for:						
Stabilization by State Statute	573,472	519,805	-	-	573,472	519,805
USDA	74,128	74,128	-	-	74,128	74,128
Streets	130,677	151,698	-	-	130,677	151,698
Unrestricted	2,354,821	2,223,418	997,134	1,329,366	3,351,955	3,552,784
Total net position	\$ 5,164,074	\$ 4,922,461	\$ 5,124,890	\$ 5,017,098	\$ 10,288,964	\$ 9,939,559

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Green Level exceeded liabilities and deferred inflows by \$10,318,964 as of June 30, 2024. The Town's net position increased by \$349,405 for the fiscal year ended June 30, 2024. However, the largest portion (60%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, equipment, and its water & sewer system). The Town of Green Level uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Green Level's investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Green Level's net position, \$779,970 (8%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,350,263 (32%) is unrestricted.

Management Discussion and Analysis
Town of Green Level

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

- Continued low cost of debt and grant proceeds.
- Conservative spending

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

For the Years Ended June 30, 2024 and June 30, 2023

	<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>
Revenues						
Program revenues:						
Charges for services	\$ 46,128	\$ 48,992	\$ 1,379,312	\$ 1,270,672	\$ 1,425,440	\$ 1,319,664
Operating grants and contrib.	98,236	458,392	-	-	98,236	458,392
Capital grants and contrib.	-	140,000	-	-	-	140,000
General revenues:						
Property taxes	561,562	486,792	-	-	561,562	486,792
Sales and other taxes	1,157,339	1,118,388	-	-	1,157,339	1,118,388
Intergovernmental revenues	98,399	94,220	-	-	98,399	94,220
Investment earnings	28,695	15,407	5,197	-	33,892	15,407
Miscellaneous income	46,318	8,949	26,013	11,364	72,331	20,313
Total revenues	<u>2,036,677</u>	<u>2,371,140</u>	<u>1,410,522</u>	<u>1,282,036</u>	<u>3,447,199</u>	<u>3,653,176</u>
Expenses:						
General government	660,184	564,594	-	-	660,184	564,594
Public safety	115,428	100,696	-	-	115,428	100,696
Public works	305,716	173,398	-	-	305,716	173,398
Environmental protection	174,095	216,520	-	-	174,095	216,520
Streets & highways	113,750	108,539	-	-	113,750	108,539
Cultural and recreational	377,140	281,853	-	-	377,140	281,853
Debt service	48,751	49,467	-	-	48,751	49,467
Water and sewer	-	-	1,302,730	1,218,058	1,302,730	1,218,058
Total expenses	<u>1,795,064</u>	<u>1,495,067</u>	<u>1,302,730</u>	<u>1,218,058</u>	<u>3,097,794</u>	<u>2,713,125</u>
Transfers	-	(420,645)	-	420,645	-	-
Increase (decrease) in net position	241,613	455,428	107,792	484,624	349,405	940,052
Net position July 1	4,922,461	4,467,032	5,017,098	4,532,475	9,939,559	8,999,507
Net position June 30	<u>\$ 5,164,074</u>	<u>\$ 4,922,461</u>	<u>\$ 5,124,890</u>	<u>\$ 5,017,098</u>	<u>\$ 10,288,964</u>	<u>\$ 9,939,559</u>

Governmental Activities. Governmental activities increased the Town's net position by \$241,613, thereby accounting for 70% of the total growth of the net position of the Town of Green Level. The increase in net position was the result of a concerted effort to control costs and manage expenditures while providing for future expansion by capital 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. 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 Green Level

Key elements of this increase are as follows:

- Increased tax collections
- Increased local option sales tax
- Conservative approach to spending

Business-type Activities. Business-type activities increased the Town of Green Level's net position by \$107,792, accounting for 30% of the total growth in the Town's net position. Key elements of this increase are as follows:

- Increased water and sewer charges

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 of Green Level's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Green Level's financing requirements.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town of Green Level's fund balance available in the General Fund was \$2,373,624, while total fund balance reached \$3,153,594. The Town currently has an available fund balance of 127% of general fund expenditures, while total fund balance represents 168% of the same amount.

At June 30, 2024, the governmental funds of Town of Green Level reported a combined fund balance of \$3,153,594 with a net increase in fund balance of \$173,331. Included in this change in fund balance are an increase in fund balance in the General Fund.

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

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.

Proprietary Funds. The Town of Green Level's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$997,134. The total change in net position was \$107,792. The change in net position in the Water and Sewer Fund is a result of increased water and sewer charges as well as cost-saving measures taken to control operating costs in the Water and Sewer Fund.

Management Discussion and Analysis
Town of Green Level

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 \$9,891,209 (net of accumulated depreciation). These assets include buildings, land, construction in progress, furniture and equipment, and the Town's water and sewer system.

Major capital asset transactions during the year include the following:

- General Fund town hall and equipment purchases of \$158,250
- Park improvements of \$36,713
- General Fund paving and improvements of \$85,398
- Water and sewer improvements of \$ 74,839
- Water and sewer capital project construction in progress \$304,375

Town of Green Level'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	\$ 378,799	\$ 378,799	\$ 20,097	\$ 20,097	\$ 398,896	\$ 398,896
Construction in progress	-	-	1,672,604	1,368,229	1,672,604	1,368,229
Buildings & improvements	2,125,730	2,042,221	-	-	2,125,730	2,042,221
Furniture, equipment & vehicles	168,396	188,173	99,589	117,603	267,985	305,776
Recreational facilities & improvements	543,952	568,165	-	-	543,952	568,165
Infrastructure	414,578	401,101	-	-	414,578	401,101
Plant & distribution systems	-	-	4,467,463	4,521,235	4,467,463	4,521,235
	<u>\$ 3,631,455</u>	<u>\$ 3,578,458</u>	<u>\$ 6,259,754</u>	<u>\$ 6,027,165</u>	<u>\$ 9,891,209</u>	<u>\$ 9,605,623</u>

Additional information on the Town's capital assets can be found in the Notes III.A.3 of the Basic Financial Statements.

Long-term Debt.

On March 29, 2017, the Town entered into an installment purchase contract with Branch Banking and Trust Company to purchase two new trucks. The financing contract was for \$72,650 with an interest rate of 2.540%. The first of sixty payments of \$1,292 was due on April 29, 2018. The vehicles act as collateral for the loans. The loan is callable if the Town becomes substantially past due on required payments.

In February 2021, the Town entered into a financing agreement with the Branch Banking and Trust Company, Charlotte, North Carolina to advance up to \$1,147,900 for the construction of the Town Hall. On May 7, 2019, the amount was increased to \$1,864,300 at 3.25% which was advanced as of June 30, 2019. Subsequently in 2020, the note amount was decreased by grant proceeds for a total amount financed of \$1,694,400. In 2020, the note was assumed by USDA with an interest rate of 3.00% payable with 40 annual principal and interest payments of \$73,318. The note is collateralized by Town Hall and the full faith and credit of the Town. The note is callable if the Town becomes substantially past due on required payments.

Management Discussion and Analysis
Town of Green Level

The Town continues to service its debt related to the water tower and related assets. The balance of the debt was \$370,831 at June 30, 2024. Principal payments of \$46,354 are required annually. There is no interest on this debt.

The Town received loan commitments of \$2,302,810 related to projects to connect its sewer system to the City of Burlington's sewer system. Of this cost, \$435,050 was forgiven with total repayments to be \$1,867,760. Twenty principal payments of \$65,310 are required annually. There is no interest on this debt.

In February 2019, the Town entered into a financing agreement with the Branch Banking and Trust Company, Charlotte, North Carolina to advance up to \$1,223,700 for the construction of a pump station. At June 30, 2019, the entire amount had been advanced. The financing contract requires fifteen annual principal and interest payments of \$107,993 beginning fiscal year 2019. The note is collateralized by the full faith and credit of the Town. The note is callable if the Town becomes substantially past due on required payments.

Town of Green Level's Long-term Debt (Figure 5)

	<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>
Long-term debt	\$1,600,479	\$1,625,330	\$2,131,998	\$2,339,431	\$3,732,477	\$3,964,761
Net pension liability	93,701	68,825	2,334	-	96,035	68,825
Compensated absences	10,207	9,419	3,585	2,857	13,792	12,276
	<u>\$1,704,387</u>	<u>\$1,703,574</u>	<u>\$2,137,917</u>	<u>\$2,342,288</u>	<u>\$3,842,304</u>	<u>\$4,045,862</u>

Town of Green Level's Outstanding Debt and Long-term Liabilities

The Town of Green Level's total debt and long-term liabilities decreased by \$203,276 during the current fiscal year. The key factors in this decrease were principal payments of \$232,002, a net increase in net pension liability of \$27,210 and an increase of \$1,516 in compensated absences.

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 \$12,569,311.

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

Management Discussion and Analysis
Town of Green Level

Economic Factors and Next Year's Budgets and Rates

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

The expenditure for the General Fund and the Water & Sewer Fund are expected to continue to decrease with the completion of the Pump Station Project. The continued increase in population will also be beneficial in creating a healthy and robust financial stability for the Town, which will enable the Town to continue to provide important services as needed.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities:

The Town continues to provide necessary services to its residents to include, but not limited to parks and recreation, the community center, public works projects. Property tax will remain constant at 0.36 cents.

There will be improvements in the park with playground installation, parking lots, and the renovation of the horseshoe pits to pickle ball parts.

Management believes that increased revenues and continued restrictions on spending will maintain the Town's financial position. As the Town considers future revenue sources, it has determined that a \$0.01 increase in the property tax rate will result in additional revenues of approximately \$15,311 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 – Water & Sewer Fund:

The Town is reducing its cost of providing water and sewer services through regular maintenance and improvements infrastructure projects. Meter replacement and the use of electronic meter reading equipment helps to ensure accurate billing and improves the efficiency of the billing process. Debt service for the Town's water tower remains \$46,354 annually. The Town is currently assessing the water sewer system to prepare for an additional water connection to Burlington and support a new training facility in the town's ETJ.

The Town has agreed to accept and host the New Alamance County Training Facility, which will include an indoor state of the art firing range and driving course to be used to train and prepare our emergency responders and law enforcement officers. This facility will attract law enforcement and first responders from across the state that will come for training and networking resources. The revenues from this facility will enhance the Town's financial net position and hopefully attract a variety of businesses to the area. The town owns several parcels of land throughout the community and is currently working with relators and the Alamance Chamber of Commerce to market these properties in an effort to bring commercial businesses to the Town.

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 Clerk, Town of Green Level, P.O. Box 342, Mebane, NC 27302.

Town of Green Level, North Carolina
Statement of Net Position
June 30, 2024

	Primary Government		Total
	Government Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash & cash equivalents	\$ 2,520,914	\$ 1,292,795	\$ 3,813,709
Receivables (net):			
Taxes	42,875	-	42,875
Accounts	64,480	221,830	286,311
Internal balances	299,796	(299,796)	-
Due from other governments	209,196	-	209,196
Prepays items	1,693	-	1,693
Restricted cash	204,805	93,360	298,165
	<u>3,343,760</u>	<u>1,308,190</u>	<u>4,651,949</u>
Capital assets:			
Land, improvements & construction in progress	378,799	1,692,701	2,071,500
Other capital assets, net of accumulated depreciation	3,252,656	4,567,053	7,819,708
Total capital assets	<u>3,631,455</u>	<u>6,259,754</u>	<u>9,891,209</u>
Total assets	<u>6,975,215</u>	<u>7,567,943</u>	<u>14,543,158</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	55,033	1,371	56,404
Total deferred inflows of resources	<u>55,033</u>	<u>1,371</u>	<u>56,404</u>
LIABILITIES			
Current liabilities:			
Accounts payable	147,290	212,786	360,076
Current portion of long-term debt	25,172	207,435	232,607
Payable from restricted cash	-	93,360	93,360
	<u>172,462</u>	<u>513,581</u>	<u>686,043</u>
Long-term Liabilities:			
Compensated absences	10,207	3,585	13,792
Net pension liability	93,701	2,334	96,035
Long-term debt	1,575,307	1,924,563	3,499,870
	<u>1,679,215</u>	<u>1,930,482</u>	<u>3,609,697</u>
Total liabilities	<u>1,851,678</u>	<u>2,444,063</u>	<u>4,295,741</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	14,496	361	14,857
Total deferred inflows of resources	<u>14,496</u>	<u>361</u>	<u>14,857</u>
NET POSITION			
Net investment in capital assets	2,030,976	4,127,756	6,158,732
Restricted for:			
Stabilization by State Statute	573,472	-	573,472
USDA	74,128	-	74,128
Streets	130,677	-	130,677
Unrestricted net position	<u>2,354,821</u>	<u>997,134</u>	<u>3,351,955</u>
Total net position	<u>\$ 5,164,074</u>	<u>\$ 5,124,890</u>	<u>\$ 10,288,964</u>

The accompanying notes are an integral part of the financial statements

Town of Green Level, 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		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 660,184	\$ -	\$ -	\$ -	\$ (660,184)	\$ -	\$ (660,184)
Public safety	115,428	-	-	-	(115,428)	-	(115,428)
Public works	305,716	-	-	-	(305,716)	-	(305,716)
Environmental protection	174,095	46,128	-	-	(127,967)	-	(127,967)
Streets & highways	113,750	-	98,236	-	(15,514)	-	(15,514)
Cultural and recreational	377,140	-	-	-	(377,140)	-	(377,140)
Interest on long-term debt	48,751	-	-	-	(48,751)	-	(48,751)
Total governmental activities	<u>1,795,064</u>	<u>46,128</u>	<u>98,236</u>	<u>-</u>	<u>(1,650,700)</u>	<u>-</u>	<u>(1,650,700)</u>
Business-type activities:							
Water and sewer	1,302,730	1,379,312	-	-	-	76,582	76,582
Total business activities	<u>1,302,730</u>	<u>1,379,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,582</u>	<u>76,582</u>
Total government	\$ 3,097,794	\$ 1,425,440	\$ 98,236	\$ -	(1,650,700)	76,582	(1,574,117)
General revenues:							
Taxes:							
Property taxes levied for general purposes					561,562	-	561,562
Sales & other taxes					1,157,339	-	1,157,339
Unrestricted intergovernmental revenues					98,399	-	98,399
Miscellaneous unrestricted revenues					46,318	26,013	72,331
Investment earnings					28,695	5,197	33,892
Transfers					-	-	-
Total general government revenues and transfers					<u>1,892,312</u>	<u>31,210</u>	<u>1,923,522</u>
Change in net position					241,613	107,792	349,405
Net position, beginning					4,922,461	5,017,098	9,939,559
Net position ending					<u>\$ 5,164,074</u>	<u>\$ 5,124,890</u>	<u>\$ 10,288,964</u>

The accompanying notes are an integral part of the financial statements

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

	Major Fund	Total
	General	Governmental
		Fund
Assets		
Cash & cash equivalents	\$ 2,520,914	\$ 2,520,914
Restricted cash and cash equivalents	204,805	204,805
Receivables (net):		
Taxes	42,875	42,875
Accounts	64,480	64,480
Due from other funds	299,796	299,796
Due from other governments	209,196	209,196
Prepays items	1,693	1,693
Total assets	\$ 3,343,760	\$ 3,343,760
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable & accrued expenses	\$ 147,290	\$ 147,290
Total liabilities	147,290	147,290
DEFERRED INFLOWS OF RESOURCES		
Property taxes receivable	42,875	42,875
Total deferred inflows of resources	42,875	42,875
Fund balance:		
Non Spendable:		
Prepaid items	1,693	1,693
Restricted:		
Stabilization by State Statute	573,472	573,472
USDA	74,128	74,128
Streets	130,677	130,677
Unassigned	2,373,624	2,373,624
Total fund balance	3,153,594	3,153,594
Total liabilities, deferred inflows of resources, and fund balance	\$ 3,343,760	

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

Capital assets used in governmental activities are not financial and therefore are not reported in the funds.	3,631,455
Deferred outflows of resources related to pensions are not reported in the funds	55,033
Liabilities for earned revenues considered deferred inflows of resources in fund statements	42,875
Some liabilities are not due and payable in the current period and therefore are not reported in the fund.	
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)	(1,600,479)
Compensated absences	(10,207)
Net pension liability	(93,701)
Deferred inflows of resources related to pensions are not reported in the funds	(14,496)
Net position of governmental activities	\$ 5,164,074

The accompanying notes are an integral part of the financial statements

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

	<u>Major Fund</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>
		<u>Fund</u>
Revenues:		
Ad valorem taxes	\$ 570,916	\$ 570,916
Other taxes, licenses and fees	1,157,339	1,157,339
Unrestricted intergovernmental revenues	98,399	98,399
Restricted intergovernmental revenues	98,236	98,236
Permits & fees	-	-
Charges for services	46,128	46,128
Other revenue	75,013	75,013
Total revenues	<u>2,046,030</u>	<u>2,046,030</u>
Expenditures:		
General government	735,594	735,594
Public Safety	115,428	115,428
Public works	294,083	294,083
Environmental protection	174,095	174,095
Streets & highways	127,228	127,228
Cultural and recreation	352,953	352,953
Debt service	73,318	73,318
Total expenditures	<u>1,872,699</u>	<u>1,872,699</u>
Revenues over expenditures	<u>173,331</u>	<u>173,331</u>
OTHER FINANCING SOURCES (USES):		
Transfers (to) Water Sewer	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	173,331	173,331
Fund balance - beginning of year	<u>2,980,262</u>	<u>2,980,262</u>
Fund balance - end of year	<u>\$ 3,153,594</u>	<u>\$ 3,153,594</u>

Town of Green Level, 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 statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	173,331
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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.

Capital outlay expenditures which were capitalized	\$	284,587	
Depreciation expense for governmental assets		(231,590)	52,997

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue for tax revenues			(9,353)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt		24,567	24,567
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Change in pension expense:

Changes in net pension assets		-	
Changes in deferred outflows		11,605	
Changes in net pension liability		(24,876)	
Changes in deferred inflows		14,130	859

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences			(788)
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Total changes in net position of governmental activities	\$	241,613
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Town of Green Level, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 547,190	\$ 587,190	\$ 570,916	\$ (16,274)
Other taxes & licenses	855,000	1,155,000	1,157,339	2,339
Unrestricted intergovernmental	78,540	78,540	98,399	19,859
Restricted intergovernmental	51,840	51,840	98,236	46,396
Permits & fees	-	-	-	-
Sales and services	41,000	41,000	46,128	5,128
Miscellaneous	5,580	11,680	75,013	63,333
Total revenues	<u>1,579,150</u>	<u>1,925,250</u>	<u>2,046,030</u>	<u>120,780</u>
Expenditures:				
General government	663,490	782,990	735,594	47,396
Public safety	100,800	116,800	115,428	1,372
Public works	280,100	314,300	294,083	20,217
Environmental protection	186,000	236,000	174,095	61,905
Streets & highways	112,940	168,840	127,228	41,612
Cultural and recreation	227,660	383,260	352,953	30,307
Debt service	80,000	80,000	73,318	6,682
Total expenditures	<u>1,650,990</u>	<u>2,082,190</u>	<u>1,872,699</u>	<u>209,491</u>
Revenues over (under) expenditures	<u>(71,840)</u>	<u>(156,940)</u>	<u>173,331</u>	<u>330,271</u>
Other financing sources (uses):				
Fund balance appropriated	<u>71,840</u>	<u>156,940</u>	<u>-</u>	<u>(156,940)</u>
Total other financing sources (uses)	<u>71,840</u>	<u>156,940</u>	<u>-</u>	<u>(156,940)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>173,331</u>	<u>\$ 173,331</u>
Fund balance, beginning of year			<u>2,980,262</u>	
Fund balance, end of year			<u>\$ 3,153,594</u>	

The accompanying notes are an integral part of the financial statements

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

	<u>Water/Sewer Fund</u>
ASSETS	
Current assets:	
Cash & cash equivalents	\$ 1,292,795
Accounts receivable (net)	221,830
Restricted cash & cash equivalents	<u>93,360</u>
Total current assets	<u>1,607,986</u>
Noncurrent assets:	
Capital assets:	
Land, improvements, & construction in progress	1,692,701
Other capital assets, net of accumulated depreciation	<u>4,567,053</u>
Total noncurrent assets	<u>6,259,754</u>
Total assets	<u>7,867,739</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	<u>1,371</u>
LIABILITIES	
Current liabilities:	
Accounts payable & accrued expenses	212,786
Due to other funds	299,796
Current portion of long-term debt	207,435
Liabilities payable from restricted assets:	
Customer deposits	<u>93,360</u>
	<u>813,377</u>
Noncurrent liabilities:	
Compensated absences	3,585
Net pension liability	2,334
Long-term debt	<u>1,924,563</u>
Total noncurrent liabilities	<u>1,930,482</u>
Total liabilities	<u>2,743,859</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>361</u>
NET POSITION	
Net investment in capital assets	4,127,756
Unrestricted net assets (deficit)	<u>97,134</u>
Total net position	<u>\$ 5,124,890</u>

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

	Water/Sewer Fund
Revenues	
Operating revenues:	
Charges for services	\$ 1,347,476
Late payment charges	31,836
Total operating revenue	1,379,312
 Expenses	
Operations:	
Administration	95,001
Finance	176,726
Water distribution & maintenance	327,321
Waste collection & treatment	523,941
Depreciation & amortization	146,625
Total operating expenses	1,269,615
Operating income (loss)	109,698
 Nonoperating revenues(expenses):	
Miscellaneous income	26,013
Investment earnings	5,197
Interest expense	(33,115)
	(1,906)
Change in net position	107,792
Net position beginning	5,017,098
Net position end of year	\$ 5,124,890

The accompanying notes are an integral part of the financial statements

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

	Water/Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 1,398,036
Cash paid for goods and services	(854,512)
Cash paid for salaries and benefits	(167,184)
	<u>376,340</u>
Net Cash Provided By Operating Activities	
Cash flows from non-capital financing activities:	
Interfund borrowings (payments)	21,557
Transfers from other funds	-
Other revenues received	26,013
	<u>47,570</u>
Net Cash Provided By Capital and Related Financing Activities	
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(74,839)
Increase in construction in progress	(304,375)
Payment on notes payable	(207,434)
Interest paid	(33,115)
Proceeds from long-term debt	-
	<u>(619,763)</u>
Net Cash Used By Capital and Related Financing Activities	
Cash flows from investing activities:	
Interest earnings	5,197
	<u>5,197</u>
Net Cash Provided by Investing Activities	
Net Increase (Decrease) In Cash	(190,656)
Cash - Beginning of Year, July 1	<u>1,576,813</u>
Cash - End of Year, June 30	<u>\$ 1,386,155</u>

Disclosure of Accounting Policy

For purposes of the statement of cash flows, the Town of Green Level considers all highly liquid investments (including restricted assets) with a maturity of a year or less when purchased to be cash equivalents.

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

	Water/Sewer Fund
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Net Operating Income (Loss)	\$ 109,698
Adjustments to reconcile net operating income to net cash used by operating activities:	
Depreciation & amortization	146,625
Changes in Current Assets and Liabilities:	
(Increase) decrease in accounts receivable	(14,763)
(Increase) decrease in deferred outflows - pensions	(1,371)
(Increase) decrease in prepaid expenses	-
Increase (Decrease) in net pension liability	2,334
Increase (Decrease) in deferred inflows - pensions	361
Increase (Decrease) in accounts payable	99,241
Increase (Decrease) in accrued liabilities	728
Increase (Decrease) in customer deposits	33,487
Total adjustments	266,642
Net Cash Provided By Operating Activities	\$ 376,340
Interest paid	\$ 33,115

Town of Green Level, North Carolina

**NOTES TO FINANCIAL STATEMENTS
As of or for the Year Ended June 30, 2024**

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Green Level, North Carolina conform to accounting principles generally accepted as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Green Level is a municipal corporation governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. For the year ended June 30, 2024, the Town had no component units.

B. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods 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 equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Notes to the Financial Statements (continued)

B. Basis of Presentation (continued)

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 another fund. The primary revenue sources are the local option sales tax and the utility franchise and excise tax. The primary expenditures are for general government and recreation services.

The Town reports the following major enterprise fund:

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

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 grants and donations. On an accrual basis, 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 collected and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town, are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by Alamance 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. Grant revenues, which are unearned at year-end, are recorded as unearned revenues. Under the terms of grant agreements, the Town may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, if and 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 by 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 Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances, if applicable, are adopted for the Capital Projects Fund and the Enterprise Fund Capital Projects Fund. These appropriations continue until the project is completed. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the Town Council. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the Town Council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Notes to the Financial Statements (continued)

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government 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. The Town does not have a formal investment or credit risk policy.

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.

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 Cash in the capital project is restricted for construction only.

Town of Green Level Restricted Cash

Governmental Activities		
General Fund	Streets	\$ 130,677
	USDA	<u>74,128</u>
Total governmental activities		<u>204,805</u>
Business-type Activities		
Water and Sewer Fund	Customer deposits	<u>93,360</u>
Total Business-type Activities		<u>93,360</u>
Total Restricted Cash		<u><u>\$ 298,165</u></u>

Notes to the Financial Statements (continued)

4. Ad Valorem Tax Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. 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 that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts. The Town has an arrangement with Alamance County for the billing and collecting of the Town's property taxes.

5. Allowance for Doubtful Accounts

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

6. Inventory and Prepaid Items

The Town's General Fund inventory consists of an immaterial amount of expendable supplies that are recorded as expenditures as purchased rather than when used.

The inventories of the Town's enterprise fund consist of an immaterial amount of materials and supplies held for subsequent use. The cost of these inventories is expensed when purchased.

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life of more than two years. Minimum capitalization cost is currently \$200 for all types of assets. 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 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>Estimated Useful Life - Years</u>
Buildings	25-40
Infrastructure	10-20
Improvements	8-40
Furniture and equipment	5-15
Recreation facilities	5-40
Water & sewer lines and stations	40
Vehicles	3-6

Notes to the Financial Statements (continued)

8. Deferred Outflows / Inflows of Resources

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

9. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Any 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 any applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

10. Compensated Absences

At June 30, 2024, the vacation policy of the Town provides for the accumulation of up to 120 hours earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest so the Town does not have any obligation for the accumulated sick leave until it is actually taken. No accrual for sick leave has been made.

11. Net position / Fund Balances

Net position

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

Fund Balances

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

Notes to the Financial Statements (continued)

11. Net position / Fund Balances (continued)

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 for USDA - Portion of fund balance that is restricted by revenue source for the debt service payment associated with the construction of Town Hall. This portion represents the current portion due.

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 Green Level's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – portion of fund balance that the Town of Green Level intends to use for specific purposes.

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

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

Notes to the Financial Statements (continued)

11. Net position / Fund Balances (continued)

The Town of Green Level 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. Material Violations of Finance-Related Legal and Contractual Provisions:

1. *Noncompliance with North Carolina General Statutes:* None
2. *Contractual Violations:* None

B. Deficit Fund Balance or Retained Earnings of Individual Funds: None

C. Excess of Expenditures over Appropriations: None

Notes to the Financial Statements (continued)

III. Detail Notes on All Funds and Account Groups:

A. Assets:

1. Deposits

All the deposits of the Town 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 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, these deposits are considered to be held by the Town's agents in the Town's name. The amount of the pledged collateral is based on an approval averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists to under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risks for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the Town's deposits had a carrying amount of \$4,096,709 and a bank balance of \$4,126,607. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2024, the Town's petty cash fund totaled \$1,080.

2. Investments

At June 30, 2024, the Town had \$14,085 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. Receivables – 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>Amount</u>
General Fund	\$ -
Enterprise Fund	<u>37,059</u>
Total	<u>\$ 37,059</u>

Notes to the Financial Statements (continued)

4. Capital Assets

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 and construction in progress	\$ 378,799	\$ -	\$ -	\$ 378,799
Capital assets being depreciated:				
Buildings & improvements	2,505,894	158,251	-	2,664,145
Furniture, fixtures & equipment	398,887	4,225	-	403,112
Vehicles	228,454	-	-	228,454
Recreational facilities & equipment	1,503,192	36,713	-	1,539,905
Infrastructure	1,069,448	85,398	-	1,154,846
Total capital assets being depreciated:	5,705,875	284,587	-	5,990,462
Less, accumulated depreciation for:				
Buildings & improvements	463,673	74,742	-	538,415
Furniture, fixtures & equipment	278,099	12,613	-	290,712
Vehicles	161,069	11,389	-	172,458
Recreational facilities & equipment	935,027	60,926	-	995,953
Infrastructure	668,347	71,920	-	740,267
Total accumulated depreciation	2,506,215	231,590	-	2,737,805
Total capital assets being depreciated, net	3,199,659			3,252,656
Governmental activity capital assets, net	\$ 3,578,458			\$ 3,631,455

Capital asset activity for the Business-type Activities for the year ended June 30, 2024:

Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 20,097	\$ -	\$ -	\$ 20,097
Construction in progress	1,368,229	304,375	-	1,672,604
Capital assets being depreciated:				
Plant & distribution systems	6,788,103	74,839	-	6,862,942
Equipment & vehicles	338,629	-	-	338,629
Total capital assets being depreciated:	7,126,732	74,839	-	7,201,571
Less, accumulated depreciation for:				
Plant & distribution systems	2,266,868	128,611	-	2,395,479
Equipment & vehicles	221,026	18,014	-	239,040
Total accumulated depreciation	2,487,894	146,625	-	2,634,519
Total capital assets being depreciated, net	4,638,839			4,567,053
Business-type activity capital assets, net	\$ 6,027,165			\$ 6,259,754

Notes to the Financial Statements (continued)

4. Capital assets (continued)

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

General government	\$	86,331
Public works		12,413
Transportation		71,920
Cultural and recreation		60,926
	<u>\$</u>	<u>231,590</u>

The fixed assets acquired from the Green Level Water and Sewer District, the predecessor to the Town of Green Level's Water and Sewer Fund, are recorded at the District's original cost. Accumulated depreciation, through the date of transfer, has also been carried forward from the district.

Construction Commitments

The government has active construction projects as of June 30, 2024. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Pump Station	\$ 1,672,604	\$ 13,498
Total	<u>\$ 1,672,604</u>	<u>\$ 13,498</u>

B. Liabilities:

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local 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 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 0% of compensation for law enforcement officers and 11.80% 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 \$13,841 for the year ended June 30, 2024.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

At June 30, 2024, the Town reported a liability of \$96,035 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 0.00145%, which was an decrease of 0.00023% from its proportional share at June 30, 2023 (as measured as of June 30, 2022).

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

For the year ended June 30, 2024, the Town recognized pension expense of \$14,305. 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	\$ 10,701	\$ 230
Changes of assumptions	4,081	-
Net difference between projected and actual earnings on pension plan investments	25,703	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	2,078	14,627
Town contributions subsequent to the measurement date	13,841	-
Total	\$ 56,404	\$ 14,857

\$13,841 is 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	\$ 6,704
2026	2,046
2027	17,869
2028	1,087
2029	-

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 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	100%	

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (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)	\$ 166,376	\$ 96,035	\$ 38,123

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.

b. Supplemental Retirement Income Plan for General Employees

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to general employees 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 General Employees 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 General Employees. 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 employee's salary, and all amounts contributed are vested immediately. Also, the general employees may make voluntary contributions to the plan. The Town also provided this same benefit to other eligible employees beginning on July 1, 2009. The Town made contributions of \$10,779 for the reporting year. No amounts were forfeited.

Notes to the Financial Statements (continued)

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources is comprised of the following:

Source	Amount
Differences between expected and actual experience	\$ 10,701
Changes of assumptions	4,081
Net difference between projected and actual earnings on pension plan investments	25,703
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,078
Employer contributions subsequent to the measurement date*	13,841
Total	\$ 56,404

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ -	\$ -
Taxes Receivable, less penalties (General Fund)	-	42,875
Changes in assumptions	-	-
Differences between expected and actual experience	230	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,627	-
Total	\$ 14,857	\$ 42,875

3. Risk Management

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

There has been no significant reduction in insurance coverage in the prior year. Settled claims have not exceeded coverage in any of the past three years.

The Town has obtained flood insurance.

In accordance with GS 159-29, the Town's employees that have access to \$100 or more at any given time are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$290,000. The remaining employees are covered for employee dishonesty up to \$10,000 per occurrence.

Notes to the Financial Statements (continued)

4. Claims and Judgments

At June 30, 2024, there were no pending or threatened litigation, claims or assessments against the Town.

5. Long-term Obligations

a. Installment Purchase – General Fund - Direct Placement

In February 2019, the Town entered into a financing agreement with the Branch Banking and Trust Company, Charlotte, North Carolina to advance up to \$1,147,900 for the construction of the Town Hall. On May 7, 2019, the amount was increased to \$1,864,300 at 3.25% which was advanced as of June 30, 2019. Subsequently in 2021, the note amount was decreased by grant proceeds for a total amount financed of \$1,694,400. In 2021, the note was assumed by USDA with an interest rate of 3.00% payable with 40 annual principal and interest payments of \$73,318. The note is collateralized by Town Hall and the full faith and credit of the Town. The note is callable if the Town becomes substantially past due on required payments. Future anticipated debt payments are as follows, including interest of \$1,038,967:

Year ending June 30	General Fund		
	Principal	Interest	Total
2025	\$ 25,172	\$ 48,146	\$ 73,318
2026	26,059	47,259	73,318
2027	26,841	46,477	73,318
2028	27,646	45,672	73,318
2029	28,352	44,966	73,318
2030-34	155,578	211,012	366,590
2035-39	180,365	186,224	366,589
2040-44	209,103	157,487	366,590
2045-49	242,361	124,229	366,590
2050-54	281,064	85,526	366,590
2055-59	325,850	40,740	366,590
2060	72,088	1,229	73,317
	\$ 1,600,479	\$ 1,038,967	\$ 2,639,446

Notes to the Financial Statements (continued)

5. Long-term Obligations (continued)

b. General Obligation Indebtedness – Enterprise Fund

In 2012, The Town entered into a \$927,077 loan commitment with NC Department of Environment and Natural Resources related to its construction of an elevated water tank and associated distribution lines. The financing contract requires annual principal only payments of \$46,354 beginning fiscal year 2013.

Annual debt service requirements to maturity for long-term debt, including \$0 interest, are as follows:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2025	\$ 46,354	\$ -	\$ 46,354
2026	46,354	-	46,354
2027	46,354	-	46,354
2028	46,354	-	46,354
2029	46,354	-	46,354
2020-32	139,061	-	139,061
	\$ 370,831	\$ -	\$ 370,831

In 2016, The Town entered into a \$1,231,866 loan commitment with NC Division of Water Infrastructure related to projects to connect its sewer system to the City of Burlington's sewer system. The financing contract requires twenty annual principal only payments of \$65,310 beginning fiscal year 2016.

Annual debt service requirements to maturity for long-term debt, including \$0 interest, are as follows:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2025	\$ 65,310	\$ -	\$ 65,310
2026	65,310	-	65,310
2027	65,310	-	65,310
2028	65,310	-	65,310
2029	65,310	-	65,310
2030-34	326,550	-	326,550
2035	65,307	-	65,307
	\$ 718,407	\$ -	\$ 718,407

Notes to the Financial Statements (continued)

5. Long-term Obligations (continued)

b. General Obligation Indebtedness – Enterprise Fund (continued)

In 2016, The Town entered into a \$633,000 loan commitment with NC Division of Water Infrastructure related to projects to connect its sewer system to the City of Burlington's sewer system. Of this cost, \$316,500 is to be forgiven with total repayments to be \$275,872. The financing contract requires twenty annual principal only payments of \$14,500 beginning fiscal year 2016.

Annual debt service requirements to maturity for long-term debt, including \$0 interest, are as follows:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2025	\$ 14,500	\$ -	\$ 14,500
2026	14,500	-	14,500
2027	14,500	-	14,500
2028	14,500	-	14,500
2029	14,500	-	14,500
2030-34	72,501	-	72,501
2035	14,501	-	14,501
	\$ 159,502	\$ -	\$ 159,502

In 2016, The Town entered into a \$246,407 loan commitment with NC Division of Water Infrastructure related to projects to connect its sewer system to the City of Burlington's sewer system. Of this cost, \$118,550 is to be forgiven with total repayments to be \$127,857. The financing contract requires twenty annual principal only payments of \$6,393 beginning fiscal year 2016.

Annual debt service requirements to maturity for long-term debt, including \$0 interest, are as follows:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2025	\$ 6,393	\$ -	\$ 6,393
2026	6,393	-	6,393
2027	6,393	-	6,393
2028	6,393	-	6,393
2029	6,393	-	6,393
2030-34	31,965	-	31,965
2035	6,391	-	6,391
	\$ 70,321	\$ -	\$ 70,321

Notes to the Financial Statements (continued)

5. Long-term Obligations (continued)

b. General Obligation Indebtedness - Direct placement

In February 2019, the Town entered into a financing agreement with the Branch Banking and Trust Company, Charlotte, North Carolina to advance up to \$1,223,700 at 3.73% for the construction of a pump station. At June 30, 2019, the entire amount had been advanced. The financing contract requires fifteen annual principal and interest payments of \$107,993 beginning fiscal year 2019. The note is collateralized by the full faith and credit of the Town. The note is callable if the Town becomes substantially past due on required payments. Future anticipated debt payments are as follows, including interest of \$159,001:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2025	\$ 77,671	\$ 30,322	\$ 107,993
2026	80,568	27,425	107,993
2027	83,573	24,420	107,993
2028	86,690	21,303	107,993
2029	89,924	18,069	107,993
2030-33	394,511	37,462	431,973
	\$ 812,937	\$ 159,001	\$ 971,938

Notes to the Financial Statements (continued)

5. Long-term Obligations (continued)

c. Changes in Long-term Liabilities

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
Governmental activities:					
Compensated absences	\$ 9,419	\$ 788	\$ -	\$ 10,207	\$ -
Long-term debt - USDA	1,625,046	-	24,567	1,600,479	25,172
Net pension liability (LGERS)	68,825	24,876	-	93,701	-
Total governmental activity long-term liabilities:	<u>\$ 1,703,290</u>	<u>\$ 25,664</u>	<u>\$ 24,567</u>	<u>\$ 1,704,387</u>	<u>\$ 25,172</u>
Business-type activities					
NCDEQ loan	\$ 1,451,618	\$ -	\$ 132,557	\$ 1,319,061	\$ 129,764
BB&T loans	887,815	-	74,878	812,937	77,671
Net pension liability (LGERS)	-	2,334	-	2,334	-
Compensated absences	2,857	728	-	3,585	-
Total business-type activity long-term liabilities:	<u>\$ 2,342,290</u>	<u>\$ 3,062</u>	<u>\$ 207,435</u>	<u>\$ 2,137,917</u>	<u>\$ 207,435</u>

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

At June 30, 2024, the Town of Green Level had no authorized but issued bonds and had a legal debt margin of \$12,569,311.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2024, consist of the following:

Due to General Fund from Water and Sewer Fund	\$299,796
Due from Water and Sewer Fund to General Fund	\$299,796

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The General Fund has advanced the Water and Sewer Fund proceeds needed for various capital projects prior to receiving loan advances for the projects. The General Fund anticipates a repayment arrangement after the various projects are completed.

Notes to the Financial Statements (continued)

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 3,631,455	\$ 6,259,754
less: long-term debt	1,600,479	2,131,997
add: unexpended debt proceeds	-	-
Net investment in capital assets	\$ 2,030,976	\$ 4,127,756

E. Fund Balance

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

<u>Total fund balance - General Fund</u>	\$	<u>3,153,594</u>
Less:		
Prepaid expense		1,693
Stabilization by State Statute		573,472
USDA payment		74,128
Assigned for subsequent years expenditures		-
Streets - Powell Bill		130,677
Remaining Fund Balance	\$	2,373,624

IV. Federal and State Assisted Programs

Federal and State Assisted Programs

The Town has received proceeds from 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 agreement. 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 statement 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 October 21, 2024, which is the date the financial statements were available to be issued.

Town of Green Level, North Carolina
Town of Green Level's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years *

Local Government Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Green Level's proportion of the net pension liability (asset) (%)	0.00145%	0.00122%	0.00226%	0.00273%	0.00357%	0.00440%	0.00342%	0.00348%	0.00263%	0.00261%
Green Level's proportion of the net pension liability (asset) (\$)	\$ 96,035	\$ 68,825	\$ 34,659	\$ 97,555	\$ 97,494	\$ 104,383	\$ 52,248	\$ 73,857	\$ 11,803	\$ (15,392)
Green Level's covered-employee payroll	\$ 91,901	\$ 91,553	\$ 169,716	\$ 206,126	\$ 246,870	\$ 214,872	\$ 215,836	\$ 196,942	\$ 195,914	\$ 183,918
Green Level's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	104.50%	75.18%	20.42%	47.33%	39.49%	48.58%	24.21%	37.50%	6.02%	(8.37%)
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 Green Level, North Carolina
Town of Green Level'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	\$ 13,841	\$ 10,847	\$ 10,391	\$ 17,226	\$ 14,812	\$ 19,132	\$ 16,116	\$ 15,153	\$ 15,537	\$ 17,064
Contributions in relation to the contractually required contribution	13,841	10,847	10,391	17,226	14,812	19,132	16,116	15,153	15,537	17,064
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Green Level's covered-employee payroll	\$ 107,715	\$ 91,901	\$ 91,553	\$ 169,716	\$ 206,127	\$ 246,870	\$ 214,872	\$ 215,836	\$ 196,942	\$ 195,914
Contributions as a percentage of covered-	12.85%	11.80%	11.35%	10.15%	7.19%	7.75%	7.50%	7.02%	7.89%	8.71%

Town of Green Level, North Carolina
General Fund
Statement of Revenues, 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:				
Ad valorem taxes				
Current year		\$ 558,010		\$ 464,255
Prior year		12,790		12,029
Penalties and interest, net		116		(1,602)
	<u>\$ 587,190</u>	<u>570,916</u>	<u>\$ (16,274)</u>	<u>474,682</u>
Other taxes & licenses				
Local option sales tax		1,157,339		1,118,388
	<u>1,155,000</u>	<u>1,157,339</u>	<u>2,339</u>	<u>1,118,388</u>
Unrestricted intergovernmental				
Utility franchise tax & excise tax		79,916		77,147
Video programming tax		-		-
Solid waste disposal tax		2,560		2,585
Beer & wine tax		15,923		14,487
	<u>78,540</u>	<u>98,399</u>	<u>19,859</u>	<u>94,220</u>
Restricted intergovernmental				
Grants		-		-
Powell Bill allocation		98,236		87,747
	<u>51,840</u>	<u>98,236</u>	<u>46,396</u>	<u>87,747</u>
Permits & fees	-	-	-	-
Sales and services				
Sanitation user fees	41,000	46,128	5,128	48,992
Investment earnings - Powell		-		465
Investment earnings	-	28,695	28,695	8,484
Total investment earnings	<u>-</u>	<u>28,695</u>	<u>28,695</u>	<u>8,949</u>
Other general revenues				
Sales tax refunds		29,781		10,000
Concessions		8,004		1,205
Recreation fees		-		-
Miscellaneous		8,533		4,202
	<u>11,680</u>	<u>46,318</u>	<u>34,638</u>	<u>15,407</u>
Total revenues	<u>1,925,250</u>	<u>2,046,030</u>	<u>120,780</u>	<u>1,848,385</u>

Town of Green Level, North Carolina
General Fund (Continued)
Statement of Revenues, 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:				
General Government:				
Governing body:				
Contracted services - Board of Elections		\$ 4,086		\$ -
Salaries & wages - Town Council		17,543		16,981
Payroll taxes		1,342		1,276
Office supplies		507		-
Insurance & bonds - general & public officials liability		2,358		2,250
Dues & subs		-		245
Miscellaneous		2,031		628
Capital outlay		-		-
	<u>\$ 29,340</u>	<u>27,867</u>	<u>\$ 1,473</u>	<u>21,380</u>
Administration:				
Professional services:				
Legal		49,669		12,408
Accounting		47,305		21,190
Salaries & wages - Town Administrator		61,166		56,763
Salaries & wages - code enforcement		41,175		-
Payroll taxes		7,557		4,266
Employee benefits		18,379		8,410
Office supplies		23,773		9,334
Printing & Copying		516		-
Meals & entertainment		-		633
Equipment rental		-		1,802
Maintenance & repairs - equipment		4,321		504
Travel & training		629		865
Telephone		11,396		10,801
Internet service		9,895		6,178
Postage		165		156
Legal advertising		453		105
Surveying & Mapping		2,300		-
Engineering services		-		2,015
Insurance & bonds		12,121		9,391
Dues & subscriptions		11,871		13,880
Code enforcement		42,135		82,706
Miscellaneous		2,178		4,705
Capital outlay		-		-
	<u>370,600</u>	<u>347,004</u>	<u>23,596</u>	<u>246,112</u>

Town of Green Level, North Carolina
General Fund (Continued)
Statement of Revenues, 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):				
General Government (continued):				
Finance:				
Professional services:				
Audit		\$ 9,000		\$ 12,875
Other accounting services		33,445		59,745
Property tax billing		2,620		2,257
Salaries & wages		45,493		10,567
Payroll taxes		3,301		794
Employee benefits		8,485		8,337
Office supplies		74		1,264
Travel & training		729		-
Postage		13		72
Maint. & repairs - equipment		44		-
Bank service charges		3,887		4,511
Insurance & bonds		80		80
Dues & subscriptions		148		80
Miscellaneous		2,001		2,320
Capital outlays		-		-
	<u>\$ 116,900</u>	<u>109,318</u>	<u>\$ 7,582</u>	<u>102,903</u>
Public buildings:				
Electricity		20,088		17,821
Fuel oil/gas		2,397		1,163
Water & sewer		5,967		5,639
Maint. & repairs - building & grounds		44,895		33,378
Supplies		2,876		7,725
Insurance & bonds		4,497		3,760
Security monitoring		4,821		4,112
Capital outlay		162,476		177,672
Miscellaneous		3,389		636
	<u>266,150</u>	<u>251,404</u>	<u>14,746</u>	<u>251,906</u>
Total general government	<u>782,990</u>	<u>735,594</u>	<u>47,396</u>	<u>622,301</u>
Public Safety:				
Contracted services:				
Sheriff department substation		96,885		84,232
Animal control		18,543		16,464
	<u>116,800</u>	<u>115,428</u>	<u>1,372</u>	<u>100,696</u>

Town of Green Level, North Carolina
General Fund (Continued)
Statement of Revenues, 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):				
Public Works:				
Salaries & wages		\$ 144,899		\$ 91,395
Payroll taxes		10,950		6,869
Employee benefits		34,394		31,602
Telephone		2,591		893
Maint. & repairs - equipment		16,121		4,966
Equipment rental		1,847		-
Departmental supplies		16,789		13,258
Uniforms		4,441		5,870
Vehicle expense		61,150		28,474
Insurance & bonds		422		422
Miscellaneous		480		-
Capital outlays:				
Buildings		-		-
Equipment		-		-
Total public works	<u>\$ 314,300</u>	<u>294,083</u>	<u>\$ 20,217</u>	<u>183,748</u>
Environmental Protection:				
Solid waste disposal		174,095		216,520
	<u>236,000</u>	<u>174,095</u>	<u>61,905</u>	<u>216,520</u>
Streets & highways:				
Street lighting		30,923		22,190
Repairs and maintenance		3,113		1,328
Powell Bill expenses		7,794		11,071
Powell Bill capital outlay		85,398		-
	<u>168,840</u>	<u>127,228</u>	<u>41,612</u>	<u>34,589</u>

Town of Green Level, North Carolina
General Fund (Continued)
Statement of Revenues, 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):				
Culture and Recreation				
Salaries & wages		\$ 144,547		\$ 83,041
Payroll taxes		10,874		5,755
Employee benefits		3,732		-
Group insurance		15,826		9,697
Telephone		1,026		457
Department supplies		4,171		629
Uniforms & accessories		3,886		4,969
Park management & maint.		74,823		80,006
Community events		19,216		21,099
Sports programs & camps		34,759		13,011
Miscellaneous		3,380		78
Capital outlay		36,713		-
	<u>\$ 383,260</u>	<u>352,953</u>	<u>\$ 30,307</u>	<u>218,742</u>
Debt service				
Principal		73,318		73,318
Interest		-		-
	<u>80,000</u>	<u>73,318</u>	<u>6,682</u>	<u>73,318</u>
Total expenditures	<u>2,082,190</u>	<u>1,872,699</u>	<u>209,491</u>	<u>1,449,914</u>
Revenues over expenditures	<u>(156,940)</u>	<u>173,331</u>	<u>330,271</u>	<u>398,471</u>
OTHER FINANCING SOURCES (USES)				
Transfer from SCIF	-	-	-	90,000
Fund balance appropriated	156,940	-	(156,940)	-
	<u>156,940</u>	<u>-</u>	<u>(156,940)</u>	<u>90,000</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>173,331</u>	<u>\$ 173,331</u>	<u>488,471</u>
Fund balances - beginning of year		<u>2,980,262</u>		<u>2,491,791</u>
Fund balances - end of year		<u>\$ 3,153,594</u>		<u>\$ 2,980,262</u>

Town of Green Level, North Carolina
Proprietary Fund Type - Enterprise Fund
Schedule of Revenues 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		\$ 447,544		\$ 422,402
Sewer charges		899,933		860,543
Less, bad debts		-		(12,273)
Other charges		31,836		-
	<u>\$ 1,301,950</u>	<u>1,379,312</u>	<u>\$ 77,362</u>	<u>1,270,672</u>
Non-operating Revenues:				
Sales tax refund		25,056		8,000
Investment earnings		4,900		3,349
Miscellaneous income		957		-
	<u>73,540</u>	<u>30,913</u>	<u>(42,627)</u>	<u>11,349</u>
Total revenues	<u>1,375,490</u>	<u>1,410,226</u>	<u>34,736</u>	<u>1,282,021</u>
Expenditures:				
Administration:				
Salaries & wages		51,985		47,105
Payroll taxes		4,084		3,559
Fringe benefits		2,865		12,482
Professional fees		3,702		1,575
Vehicle expense		10,791		10,129
Insurance & bonds		12,121		8,344
Permits & licenses		1,090		870
Dues & subscriptions		1,926		477
Miscellaneous		4,385		517
	<u>132,030</u>	<u>92,949</u>	<u>39,081</u>	<u>85,057</u>
Finance:				
Salaries & wages		85,436		110,332
Payroll taxes		6,298		8,292
Fringe benefits		18,569		14,417
Audit		9,000		9,000
Bookkeeping & accounting		26,082		51,775
Office supplies		9,948		11,230
Postage		6,198		11,740
Telephone		1,482		3,203
Software subscriptions and services		13,354		9,894
Insurance & bonds		80		80
Bank service charges		-		744
Miscellaneous		279		6,327
	<u>\$ 201,060</u>	<u>176,726</u>	<u>\$ 24,334</u>	<u>237,034</u>

Town of Green Level, North Carolina
Proprietary Fund Type - Enterprise Fund (Continued)
Schedule of Revenues 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 (continued):				
Water Distribution & Maintenance:				
Water purchased for resale		213,125		161,164
Departmental supplies		12,785		14,795
Water testing		605		-
Electrical power		19,097		18,673
Engineering Services		2,500		-
Repairs & maintenance		70,814		25,102
Uniforms		8,395		5,870
Miscellaneous		-		-
	<u>331,400</u>	<u>327,321</u>	<u>4,079</u>	<u>225,603</u>
Waste Collection & Treatment:				
Departmental supplies		6,473		9,809
Repairs & maintenance		59,094		137,863
Sewage hauling and disposal		132,459		60,766
Contracted services - bulk treatment charges		325,915		301,700
Miscellaneous		-		-
	<u>544,720</u>	<u>523,941</u>	<u>20,779</u>	<u>510,138</u>
Budgetary uses:				
Debt service		240,550		240,550
Capital outlays		74,839		110,067
	<u>320,600</u>	<u>315,389</u>	<u>5,211</u>	<u>350,617</u>
Total expenditures	<u>1,529,810</u>	<u>1,436,326</u>	<u>93,484</u>	<u>1,408,450</u>
Revenues over (under) expenditures	<u>(154,320)</u>	<u>(26,100)</u>	<u>(128,220)</u>	<u>(126,429)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from ARPA Fund	-	-	-	370,645
Transfer from SCIF Fund	-	-	-	50,000
Transfer to capital project	(310,000)	-	(310,000)	-
Appropriation of Fund Balance	464,320	-	464,320	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (26,100)</u>	<u>\$ 26,100</u>	<u>\$ 294,216</u>

Town of Green Level, North Carolina
Proprietary Fund Type - Enterprise Fund (Continued)
Schedule of Revenues 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)

	2024	2023
Reconciliation from budgetary basis (modified accrual) to full accrual basis:		
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (26,100)	\$ 294,216
Budgetary appropriations:		
Capital outlay	74,839	110,067
Debt service - principal portion	207,434	204,742
Depreciation & amortization	(146,625)	(144,114)
Change in accrued vacation	(728)	(256)
Other uses for capital projects	-	-
Other sources for capital projects	297	15
Pension expense	(1,324)	19,954
Change in net position	\$ 107,792	\$ 484,624

Town of Green Level, North Carolina
Water and Sewer Capital Projects Fund
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:					
Interest earned	\$ -	\$ 268	\$ 297	\$ 565	\$ (565)
Total revenues	<u>-</u>	<u>268</u>	<u>297</u>	<u>565</u>	<u>(565)</u>
Expenditures:					
Pump Station:					
Engineering	370,507	285,350	84,527	369,877	630
Construction	1,313,095	1,080,529	219,848	1,300,377	12,718
Permits and fees	2,500	2,351	-	2,351	149
Total	<u>1,686,102</u>	<u>1,368,229</u>	<u>304,375</u>	<u>1,672,604</u>	<u>13,498</u>
Debt service	<u>107,993</u>	<u>107,993</u>	<u>-</u>	<u>107,993</u>	<u>-</u>
Total expenditures	<u>1,794,095</u>	<u>1,476,222</u>	<u>304,375</u>	<u>1,780,597</u>	<u>13,498</u>
Revenues over expenditures	<u>(1,794,095)</u>	<u>(1,475,954)</u>	<u>(304,079)</u>	<u>(1,780,033)</u>	<u>(14,062)</u>
Other financing sources (uses):					
Pump station:					
Loan proceeds	1,223,700	1,223,700	133,283	1,356,983	(133,283)
Transfer from water fund	570,395	-	-	-	570,395
Total other financing sources	<u>1,794,095</u>	<u>1,223,700</u>	<u>133,283</u>	<u>1,356,983</u>	<u>437,112</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (252,255)</u>	<u>\$ (170,796)</u>	<u>\$ (423,051)</u>	<u>\$ (423,051)</u>

Town of Green Level, North Carolina
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2024

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2023</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2024		\$ 565,619	\$ 551,181	\$ 14,438
2023	\$ 12,905		4,584	8,321
2022	14,062		9,114	4,948
2021	7,032		3,512	3,520
2020	4,133		1,215	2,918
2019	2,956		818	2,138
2018	2,797		949	1,848
2017	1,633		(105)	1,738
2016	1,891		120	1,771
2015	1,894		716	1,178
2014	1,277		1,220	57
2013	1,649		1,649	-
	<u>\$ 52,229</u>	<u>\$ 565,619</u>	<u>\$ 574,973</u>	<u>42,875</u>
				<u>\$ 42,875</u>
				Reconciliation with revenues:
				Ad valorem taxes - General Fund \$ 570,800
				Taxes written off (1,649)
				Penalties, abatements, and other adjustments 5,822
				<u>\$ 574,973</u>

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

	Total Property Valuation	Rate	Amount of Levy	Total Levy	
				Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Real property	\$ 157,116,389	0.36	\$ 565,619	\$ 491,360	\$ 74,259
Personal property	-	0.36	-	-	-
	<u>157,116,389</u>		<u>565,619</u>	<u>491,360</u>	<u>74,259</u>
Discoveries	-	0.36	-	-	-
Abatements	-	0.36	-	-	-
Total property valuation	<u>\$ 157,116,389</u>				
Net Levy			565,619	491,360	74,259
Uncollected taxes at June 30, 2024			<u>(14,438)</u>	<u>(14,438)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 551,181</u>	<u>\$ 476,922</u>	<u>\$ 74,259</u>
Percent current year collected			<u>97.45%</u>	<u>97.06%</u>	<u>100.00%</u>