

**Town of Mount Pleasant
Mount Pleasant, 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 Mount Pleasant

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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 Mount Pleasant, North Carolina

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, the aggregately discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Mount Pleasant, North Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Mount Pleasant'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 Mount Pleasant, North Carolina as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Town of Mount Pleasant ABC Board, which represent 100 percent, 100 percent, and 100 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Mount Pleasant ABC Board, is based solely on the report of another auditor.

Basis for Opinions

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

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 Mount Pleasant'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 and *Governmental Auditing Standards* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS, and *Governmental Auditing Standards*, we

- Exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures 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 Mount Pleasant'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 Mount Pleasant'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, the budgetary comparison information on page 20, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 50 through 51, respectively, and the Schedule of Changes in the OPEB Liability and Related Ratios on page 52, 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide me 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 Mount Pleasant's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules as well as the accompanying schedule of expenditures of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit

Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of the Town of Mount Pleasant's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Mount Pleasant's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Mount Pleasant's internal control over financial reporting and compliance.

Tony Brewer CPA, PC

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

Lexington, North Carolina
October 31, 2024



Management's Discussion and Analysis

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

Financial highlights

- The assets and deferred outflows of resources of the Town of Mount Pleasant exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$12,497,826 (*net position*).
- The government's total net position increased by \$694,547, primarily due to grants and a conservative approach to spending.
- As of the close of the current fiscal year, the Town of Mount Pleasant's governmental funds reported combined ending fund balances of \$3,339,268 with a net decrease of \$1,473,086 in fund balance. Approximately 17% of this total amount, or 583,500, is restricted, committed, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,741,788, or 108% of total general fund expenditures for the fiscal year.
- The Town of Mount Pleasant's total debt increased by \$5,725,705 due to new debt of \$6,048,000, an increase in LGERS pension of \$36,078, a decrease in accrued vacation of \$7,516, principal debt payments of \$393,767, and an increase in OPEB liability of \$3,315.

Overview of the Financial Statements

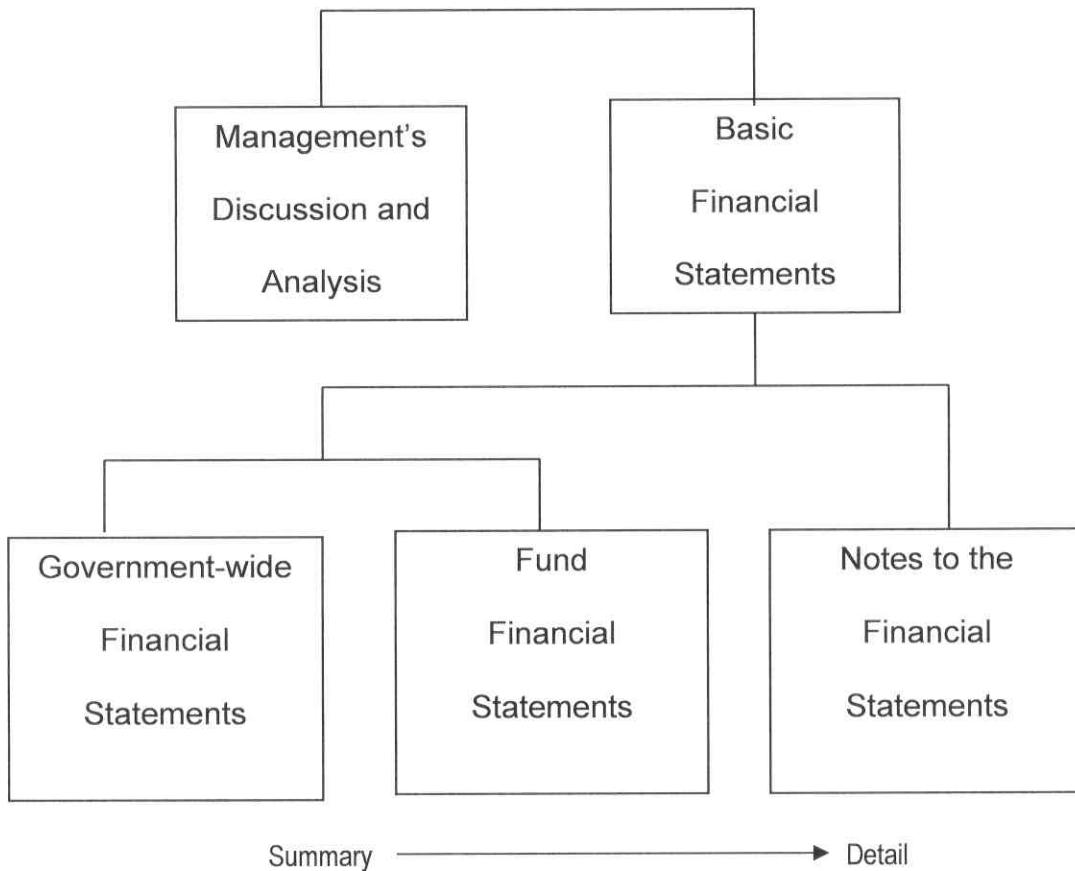
This discussion and analysis is intended to serve as introduction to the Town of Mount Pleasant's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (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 Mount Pleasant.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Mount Pleasant'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 Mount Pleasant.

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 (Exhibits 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 three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. 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 can also be found in this part of the statements.

Management Discussion and Analysis

Town of Mount Pleasant

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Mount Pleasant, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town 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* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the 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 a part of the fund financial statements.

The Town of Mount Pleasant adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted.

Management Discussion and Analysis

Town of Mount Pleasant

The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town of Mount Pleasant has 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 Mount Pleasant uses enterprise funds to account for its water and sewer activity. 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 a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages **24-49** 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 Mount Pleasant

Government-Wide Financial Analysis

Town of Mount Pleasant's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 6,125,066	\$ 4,977,676	\$ 6,743,330	\$ 1,883,832	\$ 12,868,396	\$ 6,861,508
Capital assets	7,723,701	6,131,880	5,421,219	3,577,850	13,144,920	9,709,730
Deferred outflows of resources	131,068	139,507	123,291	123,580	254,359	263,087
Total assets and deferred outflows of resources	13,979,835	11,249,063	12,287,840	5,585,262	26,267,675	16,834,325
Long-term debt	3,797,345	4,007,909	6,170,750	266,359	9,968,095	4,274,268
Non-current liabilities	186,389	175,251	231,429	210,690	417,818	385,941
Other liabilities	2,790,515	165,566	524,340	135,899	3,314,855	301,465
Deferred inflows of resources	56,460	58,281	12,621	11,092	69,081	69,373
Total liabilities and deferred inflows of resources	6,830,709	4,407,007	6,939,140	624,040	13,769,849	5,031,047
Net position:						
Net investment in capital assets	3,926,356	2,123,971	3,855,130	3,311,491	7,781,486	5,435,462
Restricted	472,824	2,629,102	-	-	472,824	2,629,102
Unrestricted	2,749,946	2,088,983	1,493,570	1,649,731	4,243,516	3,738,714
Total net position	\$ 7,149,126	\$ 6,842,056	\$ 5,348,700	\$ 4,961,222	\$ 12,497,826	\$ 11,803,278

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Mount Pleasant exceeded liabilities and deferred inflows by \$12,497,826 as of June 30, 2024. The Town of Mount Pleasant net position *increased* by \$694,547 for the fiscal year ended June 30, 2024. However, the largest portion (62%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Mount Pleasant uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Mount Pleasant's net 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 Mount Pleasant's net position, \$472,824 (4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,243,516 (34%) is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage above State average.
- Conservative approach to budgeting and cost control
- Federal and State grants

Management Discussion and Analysis
Town of Mount Pleasant

Town of Mount Pleasant's Changes in Net Position

Figure 3

	Governmental		Business Type	
	Activities	Activities	Activities	Activities
	2024	2023	2024	2023
Revenues:				
Program revenues:				
Charges for services	\$ 70,584	\$ 64,832	\$ 1,398,729	\$ 1,333,242
Operating grants and contrib.	921,819	1,268,264	385,635	378,748
Capital grants and contrib.	35,550	7,000	-	-
General revenues:				
Property taxes	1,006,902	988,107	-	-
Grants and contributions not restricted to specific programs	515,247	488,515	-	-
Other	150,414	60,060	80,469	19,354
Total revenues	<u>2,700,516</u>	<u>2,876,778</u>	<u>1,864,833</u>	<u>1,731,344</u>
Expenses:				
General government	581,814	536,999	-	-
Public safety	1,018,314	931,424	-	-
Public works	565,649	421,583	-	-
Culture and recreational	106,019	81,416	-	-
Interest on long-term debt	121,650	93,823	-	-
Water and sewer	-	-	1,481,534	1,512,246
Total expenses	<u>2,393,446</u>	<u>2,065,245</u>	<u>1,481,534</u>	<u>1,512,246</u>
Change in net position before transfers	323,607	811,533	383,299	219,098
Transfers	-	(354,873)	-	354,873
Gain (loss) on sale of assets	(16,537)	122,802	-	-
Gain on insurance recovery	-	20,859	4,178	12,891
Change in net position	<u>307,070</u>	<u>600,321</u>	<u>387,477</u>	<u>586,862</u>
Net position, beginning	<u>6,842,056</u>	<u>6,241,735</u>	<u>4,961,223</u>	<u>4,374,360</u>
Net position, June 30	<u>\$ 7,149,126</u>	<u>\$ 6,842,056</u>	<u>\$ 5,348,700</u>	<u>\$ 4,961,223</u>

Governmental activities: Governmental activities increased the Town of Mount Pleasant's net position by \$307,070 therefore accounting for 45% of the total increase in the net position of the Town of Mount Pleasant. Town management reduced non-essential programs to a minimum and implemented cost saving strategies across Town departments. 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 Mount Pleasant

Business-type activities: Business-type activities increased the Town of Mount Pleasant's net position by \$387,477, therefor accounting for 55% of the total increase in the net position of the Town of Mount Pleasant. Key elements of this increase are as follows:

- Consistent water and sewer charges
- Federal and State grants

Financial Analysis of the Town of Mount Pleasant Funds

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

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

The general fund is the chief operating fund of the Town of Mount Pleasant. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,741,788, while total fund balance reached \$3,066,755. The Town Council of the Town of Mount Pleasant has determined that the Town should maintain an available fund balance of 42% of next fiscal year budgeted expenditures in case of unforeseen needs or opportunities. The Town currently has an available fund balance of 108% of the next fiscal year budgeted General Fund expenditures, while total fund balance represents 121% of next fiscal year budgeted General Fund expenditures.

At June 30, 2024, the governmental funds of the Town of Mount Pleasant reported a combined fund balance of \$3,339,268, a net decrease in fund balance of \$1,473,086. Included in this change in fund balance are increases in fund balance in the General Fund of \$568,619 and Major ARPA Fund of \$21,206, while the Major Capital Project Muni Complex Fund, Major Capital project Fire Department, and total non-major funds decreased \$1,764,391, 167,324 and \$131,196, respectively.

General Fund Budgetary Highlights: During the fiscal year, the Town of Mount Pleasant 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.

Actual revenues exceeded budget amounts. Expenditure amendments were made to account for the acquisition of capital outlay including land and equipment. Expenditures associated with new debt service payments were also made.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,493,570. The total increase in net assets for the fund was \$387,477.

Capital Asset and Debt Administration

Capital assets. The Town of Mount Pleasant's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$13,144,920 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, park facilities, construction in progress, and vehicles.

Management Discussion and Analysis

Town of Mount Pleasant

Major capital asset transactions during the year include the following:

- Purchase of equipment which includes a John Deere Gator, two Kaufman trailers, a mower, and a commercial washer
- Purchase of a 2023 Ford F150 truck and a Hyundai SUV
- Fire Department and Muni Complex construction in progress

Town of Mount Pleasant's Capital Assets, Net of Accumulated Depreciation
Figure 4

	Governmental Activities		Business-type Activities		Total	Total
	2024	2023	2024	2023	2024	2023
Land	\$ 523,849	\$ 568,849	\$ 15,684	\$ 15,684	\$ 539,533	\$ 584,533
Construction in progress	74,603	2,549,378	2,332,911	395,355	2,407,514	2,944,733
Land improvements	1,070,617	391,660	14,991	-	1,085,608	391,660
Buildings and systems	4,664,056	1,194,552	2,796,307	2,898,974	7,460,363	4,093,526
Machinery and equipment	277,204	294,907	137,743	130,262	414,947	425,169
Infrastructure	124,232	132,937	-	-	124,232	132,937
Vehicles and motorized equipment	989,139	999,597	123,584	137,575	1,112,723	1,137,172
Total	\$ 7,723,701	\$ 6,131,880	\$ 5,421,219	\$ 3,577,850	\$ 13,144,920	\$ 9,709,730

Additional information on the Town of Mount Pleasant capital assets can be found in note III. A.4 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2024, the Town of Mount Pleasant had total debt outstanding of \$4,274,267. All of this debt is in the form of installment purchases and a bond anticipation note, in which the item purchase serves as collateral for the debt.

Town of Mount Pleasant's Long-Term Liabilities
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Installment Purchases	\$ 3,797,345	\$ 4,007,908	\$ 122,750	\$ 266,359	\$ 3,920,095	\$ 4,274,267
Bond anticipation note	-	-	6,048,000	-	6,048,000	-
Net Pension Liability (LGERS)	152,321	141,814	208,703	183,132	361,024	324,946
Net OPEB Liability	19,058	15,743	-	-	19,058	15,743
Compensated Absences	15,010	17,694	22,726	27,558	37,736	45,252
Total	\$ 3,983,735	\$ 4,183,160	\$ 6,402,179	\$ 477,049	\$ 10,385,913	\$ 4,660,208

Management Discussion and Analysis

Town of Mount Pleasant

The Town of Mount Pleasant's total debt increased by \$5,725,705 due to new debt of \$6,048,000, an increase in LGERS pension of \$36,078, a decrease in accrued vacation of \$7,516, principal debt payments of \$393,767, and an increase in OPEB liability of \$3,315.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 % of the total assessed value of taxable property located within that government's boundaries. As of June 30, 2024, the remaining legal debt margin for Town of Mount Pleasant is \$15,587,728.

Additional information regarding the Town of Mount Pleasant's long-term debt can be found in note III.B.4.

Economic Factors and Next Year's Budgets and Rates

The Town of Mount Pleasant continues to focus on controlled growth and redevelopment through the implementation of its Comprehensive Plan. The following key economic factors are indicators for the future prosperity of the Town:

- Development of two new residential subdivisions totaling 215 lots, which will take place over the next five years and is estimated to increase the tax base by approximately \$107,500,000. The first houses in these developments will be under construction this year.
- Construction of infill residential development continues at an average rate of approximately 10 new homes per year.
- Downtown revitalization and investment continues with historic building rehabilitation, infrastructure investments, and small business support.
- The Town has been working to identify and encourage the development of small-scale light industrial sites within the Town.
- The Town is utilizing ARPA grant funds to install new water lines to improve water quality and fire flow for additional commercial and industrial development.
- The Town is utilizing USDA loans and ARPA grant funds to install two new sewer lines to serve identified growth areas.

Budget Highlights for Fiscal Year ending June 30, 2025

Governmental Activities

- Tax base increased by approximately 5.5% in Fiscal Year 2022-23 and 3% in Fiscal Year 2023-24. Due to the Cabarrus County tax revaluation that took effect in 2024, the total tax base increased by approximately 50% for Fiscal Year 2024-25.
- Sales tax revenue is estimated to grow by 9% in the upcoming fiscal year.
- For Fiscal Year 2024-25, the Town Board of Commissioners adjusted the tax rate down from \$0.505 per \$100 of valuation to \$0.39 per \$100 of valuation, increasing projected property tax revenue by approximately 16% over the previous year. This increase in revenue will help the Town to cover increased service costs, complete vital infrastructure projects, and adjust compensation for employees to implement the recommendations of the pay study completed in 2024.

Business-type Activities

- The current water and sewer rate structures reflect the improvement projects currently underway to improve water quality and service provision.
- The Town continues to seek grant funding for significant updates to the raw water intake site and water treatment facilities.

Terry R. Holloway
Town Manager

Management Discussion and Analysis
Town of Mount Pleasant

Requests for Information

This report is designed to provide an overview of the Town of Mount Pleasant 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:

Mrs. Amy Schueneman Town Clerk P. O. Box 787, 8590 Park Drive, Mount Pleasant, North Carolina 28124
phone 704-436-9800 (office) email townhall@mtpleasantnc.gov website www.mtpleasantnc.gov .

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2024

	Primary Government			Town of Mount Pleasant ABC Board
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,180,803	\$ 1,367,330	\$ 4,548,133	\$ 70,087
Taxes receivables (net)	7,232	-	7,232	-
Accrued interest receivable on taxes	1,201	-	1,201	-
Accounts receivable (net)	4,839	144,728	149,567	-
Internal balances	(28,462)	28,462	-	-
Due from other governments	206,571	53,255	259,826	-
Inventories	-	-	-	190,756
Prepaid items	-	-	-	9,969
Restricted cash	2,752,882	5,149,555	7,902,437	-
Total current assets	6,125,066	6,743,330	12,868,396	270,812
Non-current assets				
Other assets				
Security deposits	-	-	-	7,000
Capital assets				
Land, non-depreciable improvements and construction in progress	598,452	2,348,595	2,947,047	-
Other capital assets net of depreciation	7,125,249	3,072,624	10,197,873	18,859
Total capital assets	7,723,701	5,421,219	13,144,920	25,859
Total assets	13,848,767	12,164,549	26,013,316	296,671
Deferred outflows of resources				
OPEB deferrals	41,085	-	41,085	-
Pension deferrals	89,983	123,291	213,274	60,796
Total deferred outflows of resources	131,068	123,291	254,359	60,796
Liabilities				
Current liabilities:				
Accounts payable & accrued liabilities	114,318	44,083	158,401	48,205
Advances from grantors	2,667,841	174,465	2,842,306	-
Accrued interest payable	8,356	204,537	212,893	-
Customer deposits	-	101,255	101,255	-
Due to other governments	-	-	-	37,317
Current portion of long-term debt	229,028	17,505	246,533	-
Total current liabilities	3,019,543	541,845	3,561,388	85,522
Long-term liabilities:				
Pensions - LGERS	152,321	208,703	361,024	-
OPEB liability	19,058	-	19,058	-
Accrued vacation	15,010	22,726	37,736	-
Debt - due in more than one year	3,568,317	6,153,245	9,721,562	77,292
Total liabilities	6,774,249	6,926,519	13,700,768	162,814
Deferred inflows of resources				
OPEB deferrals	47,249	-	47,249	-
Pension deferrals	9,211	12,621	21,832	1,545
Total deferred inflows of resources	56,460	12,621	69,081	1,545
Net position				
Net investment in capital assets	3,926,356	3,855,130	7,781,486	18,859
Restricted for:				
Capital projects	185,369	-	185,369	25,125
Stabilization by State Statute	193,389	-	193,389	-
Streets	6,921	-	6,921	-
Capital reserve	87,145	-	87,145	-
Other functions	-	-	-	41,476
Unrestricted	2,749,946	1,493,570	4,243,516	107,648
Total net position	\$ 7,149,126	\$ 5,348,700	\$ 12,497,826	\$ 193,108

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Town of Mount Pleasant ABC Board
Primary government:						
General government	\$ 581,814	\$ -	\$ -	\$ -	\$ (581,814)	\$ -
Public safety	1,018,314	-	836,032	-	(182,282)	-
Public works	565,649	70,584	85,787	35,550	(373,728)	-
Cultural and recreational	106,019	-	-	-	(106,019)	-
Interest on long-term debt	121,650	-	-	-	(121,650)	-
Total governmental activities	2,393,446	70,584	921,819	35,550	(1,365,493)	-
Business-type activities						
Water and sewer	1,481,534	1,398,729	385,635	-	-	302,830
Total business-type activities	1,481,534	1,398,729	385,635	-	-	302,830
Total primary government	3,874,980	1,469,313	1,307,454	35,550	(1,365,493)	(1,062,663)
Component unit						
ABC Board	1,558,576	1,537,238	-	-	-	(21,338)
Total component unit	\$ 1,558,576	\$ 1,537,238	\$ -	\$ -	-	(21,338)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes					1,006,902	-
Other taxes					-	-
Grants and contributions not restricted to specific programs					515,247	-
Unrestricted investment earnings					141,824	16
Miscellaneous, unrestricted					25,127	-
Gain (loss) on sale of capital assets					(16,537)	-
Gain on insurance recovery					-	-
Total general revenues not including transfers					1,672,563	16
Transfers					-	-
Total general revenues and transfers					1,672,563	16
Changes in net position					307,070	(21,322)
Net position, beginning					6,842,056	214,430
Net position, ending					\$ 7,149,126	\$ 193,108

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	Major Funds				Total Non-Major Funds	Total Governmental Funds
	General Fund	American Rescue Plan Fund	Capital Project Fire Dept Fund	Capital Project Muni Complex Fund		
Assets						
Cash and cash equivalents	\$ 2,956,043	\$ -	\$ -	\$ -	\$ 224,760	\$ 3,180,803
Restricted cash	48,099	2,696,257	-	8,526	-	2,752,882
Receivables (net)						
Property taxes	7,232	-	-	-	-	7,232
Accounts	4,839	-	-	-	-	4,839
Due from other government	188,550	-	13,980	4,041	-	206,571
Total assets	3,204,763	2,696,257	13,980	12,567	224,760	6,152,327
Liabilities and fund balances						
Liabilities						
Accounts payable and accrued liabilities	62,538	10,601	-	-	-	73,139
Custody account liability	41,178	-	-	-	-	41,178
Advances from grantors	3,392	2,664,450	-	-	-	2,667,842
Due to other funds	23,668	-	-	-	-	23,668
Total liabilities	130,776	2,675,051	-	-	-	2,805,827
Deferred inflows of resources						
Property taxes receivable	7,232	-	-	-	-	7,232
Total deferred inflows of resources	7,232	-	-	-	-	7,232
Fund balances						
Restricted						
Stabilization by State statute	193,389	-	-	-	-	193,389
Streets	6,921	-	-	-	-	6,921
Capital reserve	-	-	-	-	87,145	87,145
Committed						
Capital project		21,206	-	12,567	137,615	171,388
Assigned						
Subsequent year's expenditures	97,081	-	-	-	-	97,081
Retiree health insurance	27,576	-	-	-	-	27,576
Unassigned	2,741,788	-	13,980	-	-	2,755,768
Total fund balances	3,066,755	21,206	13,980	12,567	224,760	3,339,268
Total liabilities, deferred inflows of resources and fund balances	\$ 3,204,763	\$ 2,696,257	\$ 13,980	\$ 12,567	\$ 224,760	\$ 6,152,327

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

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

Total fund balances governmental funds		\$ 3,339,268
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.		
Gross capital assets at historical cost	\$ 10,761,179	
Accumulated depreciation	<u>(3,037,479)</u>	7,723,700
Effect of pension accruals on internal balances		(4,794)
Deferred outflows of resources related to OPEB are not reported in the funds		41,085
Deferred outflows of resources related to pensions are not reported in the funds		89,983
Other long-term assets (accrued interest receivable from taxes and due from other governments for ABC distributions) are not available to pay for current-period expenditures and, therefore, are deferred.		1,201
Liabilities for earned revenues considered deferred inflows of resources in fund statements		7,232
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:		
Gross long-term debt beginning	(4,007,908)	
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year)	210,564	
Net pension liability	(152,321)	
OPEB liability	<u>(19,058)</u>	(3,968,723)
Deferred inflows of resources related to pensions		(9,211)
Deferred inflows of resources related to OPEB		(47,249)
Other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compenstated absences	(15,010)	
Accrued interest	<u>(8,356)</u>	(23,366)
Net position of governmental activities		<u><u>\$ 7,149,126</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Major Funds				Total Non-Major Funds	Total Governmental Funds
	General Fund	American Rescue Plan Fund	Capital Project Fire Dept Fund	Capital Project Muni Complex Fund		
Revenues:						
Ad valorem taxes	\$ 1,010,135	\$ -	\$ -	\$ -	\$ -	\$ 1,010,135
Unrestricted intergovernmental	515,248	-	-	-	-	515,248
Sales, permits, and fees	70,584	-	-	-	-	70,584
Restricted intergovernmental	85,787	-	-	-	-	85,787
Restricted intergovernmental -public safety	836,032	35,550	-	-	-	871,582
Investment earnings	120,105	21,206	227	7	278	141,823
Other revenues	25,130	-	-	-	-	25,130
Total revenues	2,663,021	56,756	227	7	278	2,720,289
Expenditures:						
Current						
General government	570,523	-	-	-	15	570,538
Public safety	962,984	-	-	-	-	962,984
Public works	544,849	-	-	-	-	544,849
Cultural and recreational	84,231	-	-	-	-	84,231
Debt service						
Principal	244,253	-	-	-	-	244,253
Interest	128,132	-	-	-	-	128,132
Capital outlay		35,550	1,757,840	168,834	39,053	2,001,277
Total expenditures	2,534,972	35,550	1,757,840	168,834	39,068	4,536,264
Revenues over (under) expenditures	128,049	21,206	(1,757,613)	(168,827)	(38,790)	(1,815,975)
Other financing sources (uses):						
Transfers to capital projects	(76,822)	-	-	25,000	51,822	-
Transfers to proprietary fund	-	-	-	-	-	-
Transfers from capital projects	30,275	-	(6,778)	(23,497)	-	-
Transfers from captial reserve fund	144,228	-	-	-	(144,228)	-
Proceeds from sale of assets	303,294	-	-	-	-	303,294
Installment purchase obligations	39,595	-	-	-	-	39,595
Total other financing sources (uses)	440,570	-	(6,778)	1,503	(92,406)	342,889
Net change in fund balance	568,619	21,206	(1,764,391)	(167,324)	(131,196)	(1,473,086)
Fund balances, beginning	2,498,136	-	1,778,371	179,891	355,956	4,812,354
Fund balances, ending	\$ 3,066,755	\$ 21,206	\$ 13,980	\$ 12,567	\$ 224,760	\$ 3,339,268

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

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

Net changes in fund balances-total governmental funds		\$ (1,473,086)
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 exceed depreciation in the current period:		
Capital outlay expenditures which were capitalized	\$ 2,139,215	
Depreciation expense	<u>(227,562)</u>	1,911,653
Cost of capital assets disposed of during the year not recognized on modified accrual basis		(319,832)
Contributions to the pension plan in the current fiscal year not included on the Statement of Activities		61,078
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Change in component revenue measurable but not available	-	
Change in unavailable revenues for tax revenues	<u>(3,233)</u>	(3,233)
The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any affect on net position. This amount is the net effect of these differences in in the treatment of long-term debt and related items.		
New long-term debt issued	(37,841)	
Principal payments on long term debt	248,404	
Increase in accrued interest payable	<u>577</u>	211,140
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported expenditures in governmental funds:		
Compensated absences	2,664	
Pension expense	(79,738)	
OPEB plan expense	<u>(3,576)</u>	(80,650)
Total change in net position of governmental activities		<u>\$ 307,070</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 991,812	\$ 991,812	\$ 1,010,135	\$ 18,323
Unrestricted intergovernmental	439,000	439,000	515,248	76,248
Sales, permits and fees	59,400	59,400	70,584	11,184
Restricted intergovernmental	51,600	149,600	85,787	(63,813)
Restricted intergovernmental -public safety	767,147	854,387	836,032	(18,355)
Investment earnings	25,000	87,414	120,105	32,691
Other revenues	6,500	16,500	25,130	8,630
Total revenues	2,340,459	2,598,113	2,663,021	64,908
Expenditures:				
Current				
General government	580,368	721,868	570,523	151,345
Public safety	908,128	1,107,680	962,984	144,696
Public works	465,940	630,048	544,849	85,199
Cultural and recreational	73,400	94,400	84,231	10,169
Debt service				
Principal	225,725	225,725	244,253	(18,528)
Interest	124,898	130,298	128,132	2,166
Total expenditures	2,378,459	2,910,019	2,534,972	375,047
Revenues over (under) expenditures	(38,000)	(311,906)	128,049	439,955
Other financing sources (uses):				
Transfer to other funds	-	(222,995)	(46,547)	176,448
Transfer from capital reserve general fund	-	144,228	144,228	-
Insurance recovery	-	300,000	303,294	3,294
Installment loan obligation issued	-	-	39,595	39,595
Total other financing sources (uses)	-	221,233	440,570	219,337
Fund balance appropriated	38,000	90,673	-	(90,673)
Net change in fund balances	\$ -	\$ -	568,619	\$ 568,619
Fund balances, beginning			2,498,136	
Fund balances, ending			\$ 3,066,755	

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Water and Sewer Fund	Total Proprietary Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,367,330	\$ 1,367,330
Accounts receivable (net)-billed	106,751	106,751
Accounts receivable (net)-unbilled	37,977	37,977
Due from other governments	53,255	53,255
Due from other funds	28,462	28,462
Restricted cash	5,149,555	5,149,555
Total current assets	6,743,330	6,743,330
Noncurrent assets		
Capital assets:		
Land and construction in progress	2,348,595	2,348,595
Fixed assets (net)	3,072,624	3,072,624
Total noncurrent assets	5,421,219	5,421,219
Total assets	12,164,549	12,164,549
Deferred outflows of resources		
Pension deferrals	123,291	123,291
Total deferred outflows of resources	123,291	123,291
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	248,620	248,620
Advances from grantors	174,465	174,465
Customer deposits	101,255	101,255
Notes payable-current	17,505	17,505
Total current liabilities	541,845	541,845
Noncurrent liabilities:		
Net pension liability	208,703	208,703
Compensated absences	22,726	22,726
Notes payable-noncurrent	6,153,245	6,153,245
Total noncurrent liabilities	6,384,674	6,384,674
Total liabilities	6,926,519	6,926,519
Deferred inflows of resources		
Pension deferrals	12,621	12,621
Total deferred outflows of resources	12,621	12,621
Net position		
Net investment in capital assets	3,855,130	3,855,130
Unrestricted	1,493,570	1,493,570
Total net position	\$ 5,348,700	\$ 5,348,700

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Water and Sewer Fund	Total Proprietary Funds
Operating revenues:		
Charges for services	\$ 1,305,095	\$ 1,305,095
Water and sewer taps	30,000	30,000
Restricted grants	385,635	385,635
Other operating revenues	63,634	63,634
	<hr/>	<hr/>
Total operating revenues	1,784,364	1,784,364
	<hr/>	<hr/>
Operating expenses:		
Billing and administration	290,275	290,275
Public works facility	30,723	30,723
Water distribution	225,380	225,380
Water treatment plant	440,802	440,802
Sewer collection	342,900	342,900
Depreciation	142,598	142,598
	<hr/>	<hr/>
Total operating expenses	1,472,678	1,472,678
	<hr/>	<hr/>
Operating income (loss)	311,686	311,686
	<hr/>	<hr/>
Nonoperating revenues (expenses):		
Investment earnings	80,469	80,469
Interest paid on long-term debt	(8,856)	(8,856)
	<hr/>	<hr/>
Net nonoperating revenues (expenses)	71,613	71,613
	<hr/>	<hr/>
Income (loss) before contributions and transfers	383,299	383,299
	<hr/>	<hr/>
Insurance recovery	4,178	4,178
	<hr/>	<hr/>
Change in net position	387,477	387,477
	<hr/>	<hr/>
Total net position, beginning	4,961,223	4,961,223
	<hr/>	<hr/>
Total net position, ending	\$ 5,348,700	\$ 5,348,700
	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Water and Sewer Fund	Total Proprietary Funds
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,943,749	\$ 1,943,749
Cash paid for goods and services	(896,770)	(896,770)
Cash paid to employees for services	(394,267)	(394,267)
Customer deposits received and returned	2,341	2,341
Net cash provided by (used in) operating activities	<u>655,053</u>	<u>655,053</u>
Cash flows from noncapital financing activities:		
Increase (decrease) in amounts due from General Fund	<u>(25,487)</u>	<u>(25,487)</u>
Net cash provided by (used in) capital and related financing activities	<u>(25,487)</u>	<u>(25,487)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,781,763)	(1,781,763)
Principal paid on debt	(143,609)	(143,609)
Interest paid on debt	(9,465)	(9,465)
Insurance recovery	4,178	4,178
Proceeds from borrowing	6,048,000	6,048,000
Net cash provided by (used in) capital and related financing activities	<u>4,117,341</u>	<u>4,117,341</u>
Cash flows from investing activities:		
Interest on investments	<u>80,474</u>	<u>80,474</u>
Net increase (decrease) in cash and cash equivalents	4,827,381	4,827,381
Cash and cash equivalents at beginning of year	<u>1,689,504</u>	<u>1,689,504</u>
Cash and cash equivalents at end of year	<u><u>\$ 6,516,885</u></u>	<u><u>\$ 6,516,885</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 311,686</u>	<u>\$ 311,686</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	142,598	142,598
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(15,082)	(15,082)
(Increase) decrease in accounts receivable	289	289
(Increase) decrease in accounts receivable	8,451	8,451
(Increase) decrease in accounts receivable	182,502	182,502
Increase (decrease) in customer deposits	2,341	2,341
Increase (decrease) in compensated absences	(4,832)	(4,832)
Increase (decrease) in net pension liability	25,571	25,571
Increase (decrease) in deferred inflows of resources for pensions	<u>1,529</u>	<u>1,529</u>
Total adjustments	<u>343,367</u>	<u>343,367</u>
Net cash provided by (used in) operating activities	<u><u>\$ 655,053</u></u>	<u><u>\$ 655,053</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Town of Mount Pleasant is a municipal corporation which is governed by an elected mayor and a five-member Board of Commissioners. 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. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

Town of Mount Pleasant ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Town of Mount Pleasant ABC Board, 8840 East Franklin, Mount Pleasant, NC 28124-1476.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities are generally 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 Towns' governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified 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 Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

B. Basis of Presentation - Fund Accounting-continued

The Town reports the following major governmental funds:

General Fund- The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

Capital Project - Sidewalks- This fund accounts for the transactions related to the construction of sidewalks.

Fire Department Facility-Capital Project Fund-This fund is used to account for renovation and expansion of the fire department building.

Municipal Complex & Park Improvements-Capital Project Fund-this fund is used to account for renovations to the municipal complex building and renovation and improvements to the park grounds and buildings.

The Town reports the following non-major governmental funds:

Capital Project-Capital Reserve Fund- This fund is used to accumulate cash for future capital purchases.

Capital Project-S. Washington Street - This fund is used to account for the widening of S. Washington Street.

Capital Project-Town Parking Lot Improvements - This fund is used to account for the parking lot improvements.

Capital Project-Storm Drain Improvements - This fund is used to account for storm drain improvements.

The Town reports the following major enterprise funds:

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

USDA Financed Infrastructure Upgrade- This fund is used to account for the renovation of the water and sewer lines funded by a proposed loan from United States Department of Agriculture.

The Town reports the following non-major enterprise funds:

Water Distribution Improvements- This fund is used to account for the renovation of the water distribution system funded by the State of North Carolina.

Lower Adam Creek Sewer - This fund is used to account for the renovation of the lower Adam Creek sewer system funded by the State of North Carolina.

Water Distribution Improvements #2 - This fund is used to account for the renovation of the water distribution system funded by the State of North Carolina.

Water Distribution Improvements #3 - This fund is used to account for the renovation of the water waterlines on Skyline Drive funded by the State of North Carolina.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

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 accrual 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 are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds 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 nonoperating revenues and expenses.

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

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

Sales taxes and certain intergovernmental revenues, such as the 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 of Mount Pleasant because the tax is levied by Cabarrus County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Grant revenues, which are unearned at year-end, are recorded as advances from grantors.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

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 and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for Special Revenue Funds and Capital Projects Funds. 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 or that transfer amounts between funds. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the Town and of the ABC Board are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and the ABC Board may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the Town and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. State law [G.S. 159-30(c)] authorizes the Town and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's and the ABC Board 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 has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

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

3. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2021. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

4. Allowance for Doubtful Accounts

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

5. Inventory

The inventories of the Town of Mount Pleasant ABC Board are valued at lower of cost (first-in, first-out) or market. The inventories of the ABC Board consist of materials for resale and supplies for use in operations. The cost of these inventories is expensed when consumed rather than when purchased.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

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

6. 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. Custody funds held for the benefit of the town's firemen within the Firemen's Relief fund (see section IV) are also classified as restricted cash. Unspent capital project loan proceeds can be expended only for the purposes specified by the capital project.

Town of Mount Pleasant's Restricted Cash

Governmental activities		
General Fund	Streets	\$ 6,921
	Custody account	\$ 41,178
	SCIF	8,526
	Deferred grant proceeds	2,696,257
		<u>\$2,752,882</u>
Business-type activities		
Water and Sewer Fund	Customer deposits	\$ 101,255
	Payment reserve	269,174
	Loan Proceeds	4,604,661
	Deferred grant proceeds	174,465
		<u>\$5,149,555</u>
Total Restricted Cash		<u>\$7,902,437</u>

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 in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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.

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Land improvements	30
Buildings	50
Improvements	25
Vehicles	6-20
Furniture and equipment	5-10
Computer equipment	3

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

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

7. Capital Assets - continued

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

	<u>Useful Life</u>
Furniture and Equipment	5-10 Years
Leasehold Improvements	5-10 Years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, OPEB and pension deferrals for 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 several items that meet the criterion for this category – prepaid taxes, property taxes receivable and pension and OPEB deferrals.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

10. Compensated Absences

The vacation policy of the Town provides for accumulation of 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 has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used within the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provide for the unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is taken, no accrual for sick leave has been made.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

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

12. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted for Capital Projects – Funds that are restricted by revenue source for the expenditures associated with the intended capital project.

Committed Fund Balance –portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Mount Pleasant'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.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

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

12. Net Position/Fund Balances-continued

Assigned fund balance – portion of fund balance that Town of Mount Pleasant intends to use for specific purposes.

Assigned for Retiree Health Insurance—portion of the fund balance that has been budgeted by the governing body for future retiree's health insurance premiums.

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

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

The Town of Mount Pleasant has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: ABC profits, Sales Tax, and State and Federal grants, 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.

The Town of Mount Pleasant has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 42% (5 months) of budgeted expenditures. Any portion of the general fund balance in excess of 42% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

13. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, 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 of Mount Pleasant's employer contributions are recognized when due and the Town of Mount Pleasant 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 Net Position of Individual Funds: None

C. Excess of Expenditures over Appropriations: None

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

III. Detail Notes on All Funds

A. Assets

1. Deposits

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

At June 30, 2024, the Town's deposits had a carrying amount of \$12,449,347 and a bank balance of \$12,599,403 of which \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The ABC Board's deposits had a carrying amount of \$69,186 and a bank balance of \$91,093 all of which was covered by federal depository insurance. At June 30, 2024 the Town's petty cash fund totaled \$161.

2. Investments

At June 30, 2024 the Town of Mount Pleasant had \$1,062 invested with the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's and AAAM-mf by Moody's Investors Service. The Town has no policy regarding credit risk and places no limit on the amount that the Town may invest in any one issuer.

The ABC Board owned no investments at June 30, 2024.

3. Receivables-Allowance for Doubtful Accounts

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

General Fund	
Taxes receivable	\$ 2,064
Water and Sewer Fund	
Accounts receivable	<u>52,664</u>
Total	<u><u>\$ 54,728</u></u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

A. Assets-continued

4. Capital Assets

Primary Government

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

	Beginning Balances	Increases	(Decreases)	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 568,849	\$ -	\$ (45,000)	\$ 523,849
Construction in progress	2,549,378	-	(2,474,775)	74,603
Total capital assets not being depreciated:	<u>3,118,227</u>	<u>-</u>	<u>(2,519,775)</u>	<u>598,452</u>
Capital assets being depreciated:				
Buildings	2,041,515	3,512,178	-	5,553,693
Equipment	795,861	28,082	-	823,943
Land improvements	460,838	696,705	-	1,157,543
Vehicles and motorized equipment	2,271,728	94,663	-	2,366,391
Infrastructure	261,157	-	-	261,157
Total capital assets being depreciated:	<u>5,831,099</u>	<u>4,331,628</u>	<u>-</u>	<u>10,162,727</u>
Less, accumulated depreciation for:				
Buildings	846,963	50,204	(7,530)	889,637
Equipment	500,954	45,785	-	546,739
Land improvements	69,178	17,748	-	86,926
Vehicles and motorized equipment	1,272,131	105,121	-	1,377,252
Infrastructure	128,220	8,705	-	136,925
Total accumulated depreciation	<u>2,817,446</u>	<u>227,563</u>	<u>(7,530)</u>	<u>3,037,479</u>
Total capital assets being depreciated, net	<u>3,013,653</u>			<u>7,125,248</u>
Governmental activity capital assets, net	<u>\$ 6,131,880</u>			<u>\$ 7,723,701</u>

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

General government	\$ 39,274
Cultural and recreational	21,787
Environmental protection	13,079
Public safety	123,896
Public works	<u>29,526</u>
Total depreciation expense	<u>\$ 227,563</u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

A. Assets-continued

4. Capital Assets-continued

	Beginning Balances	Increases	(Decreases)	Ending Balances
Business-type activities: Water and Sewer Fund				
Capital assets not being depreciated				
Land	\$ 15,684	\$ -	\$ -	\$ 15,684
Construction in progress	395,355	1,937,556	-	2,332,911
Total capital assets not being depreciated:	411,039	1,937,556	-	2,348,595
Capital assets being depreciated:				
Buildings	613,604	-	-	613,604
Equipment	273,217	33,217	-	306,434
Motor vehicles	178,359	-	-	178,359
Land improvements	-	15,194	-	15,194
Water system	2,228,719	-	-	2,228,719
Sewer system	2,408,757	-	-	2,408,757
Total capital assets being depreciated:	5,702,656	48,411	-	5,751,067
Less, accumulated depreciation for:				
Buildings	169,277	14,545	-	183,822
Equipment	142,955	25,736	-	168,691
Motor vehicles	40,784	13,991	-	54,775
Land improvements	-	203	-	203
Water system	1,203,915	44,574	-	1,248,489
Sewer system	978,913	43,549	-	1,022,462
Total accumulated depreciation	2,535,844	142,598	-	2,678,442
Total capital assets being depreciated, net	3,166,812			3,072,625
Business-type activity capital assets, net	\$ 3,577,850			\$ 5,421,219

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
Fire Department Facility	\$ 3,087,517	\$ 62,151
Municipal Complex and Park Improvements	1,488,997	11,003
S. Washington Street Widening - Sidewalk	-	637,590
Sidewalk Projects	35,551	2,685,655
Water Sewer Infrastructure Upgrade	1,777,325	4,270,675
Water Distribution Improvements	99,450	7,225,550
Lower Adams Creek Sewer Project	284,848	5,190,152
Water Distribution Improvements	-	100,000
Total	\$ 6,773,688	\$ 20,182,776

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

A. Assets-continued

4. Capital Assets-continued

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2024 was as follows:

	Beginning Balances	Increases	(Decreases)	Ending Balances
Capital assets not being depreciated				
Start up expenses - new building	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated:	-	-	-	-
Capital assets being depreciated:				
Equipment and furniture	34,565	19,901	-	54,466
Leasehold improvements	16,870	-	-	16,870
Total capital assets being depreciated:	51,435	19,901	-	71,336
Less, accumulated depreciation for:				
Equipment and furniture	31,095	-	4,512	35,607
Leasehold improvements	16,870	-	-	16,870
Total accumulated depreciation	47,965	-	4,512	52,477
Total capital assets being depreciated, net	3,470			18,859
Capital assets, net	\$ 3,470			\$ 18,859

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description- The Town of Mount Pleasant 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 G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454 or at www.ocs.nc.gov.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

1. Pension Plan and Postemployment Obligations-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.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Town of Mount Pleasant 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 of Mount Pleasant's contractually required contribution rate for the year ended June 30, 2024, was 12.89% of compensation for employees not in law enforcement, 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 of Mount Pleasant were \$60,912 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.

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

At June 30, 2024, the Town reported a liability of \$361,024 for their 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 and Board'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, 2023, the Town's proportion was 0.00545%, which was a decrease of 0.00031% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$105,293. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

1. Pension Plan and Postemployment Obligations-continued

a. Local Governmental Employees' Retirement System-continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,229	\$ 866
Changes of assumptions	15,341	-
Net difference between projected and actual earnings on pension plan investments	96,626	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	20,966
Town contributions subsequent to the measurement date	61,078	-
Total	<u>\$ 213,274</u>	<u>\$ 21,832</u>

The Town reported \$61,078 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 liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 45,353
2026	19,449
2027	61,476
2028	4,086
2029	-
Thereafter	-
Total	<u>\$ 130,364</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.10 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.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

1. Pension Plan and Postemployment Obligations-continued

a. Local Governmental Employees' Retirement System-continued

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%	

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 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

1. Pension Plan and Postemployment Obligations-continued

a. Local Governmental Employees' Retirement System-continued

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Town's proportionate share of the net pension liability 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)	\$ 625,461	\$ 361,024	\$ 143,316

b. Supplemental Retirement Income 401(k) Plan

1) Plan description: The Town contributes to the Supplemental Retirement Income 401(k) 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 all active full-time employees of the Town that are non-law enforcement officers. Article G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

(2) Funding policy: The Town of Mount Pleasant's policy is to contribute an amount equal to 5% of each employee's salary, and all amounts contributed are vested immediately. The town's employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$40,541, which consisted of \$23,758 from the Town and \$16,783 from the employees. Contribution requirements are established and may be amended by the Town's Board of Commissioners.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

1. Pension Plan and Postemployment Obligations-continued

c. Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions

Following is information related to the proportionate share and pension expense for all of the Town's pension plans:

	<u>LGERS</u>	<u>Total</u>
Pension expense	\$ 105,293	\$ 105,293
Pension liability	361,024	361,024
Proportionate share of the net pension liability	0.00545%	
Deferred outflows of resources		
Difference between expected and actual experience	40,229	40,229
Changes of assumptions	15,341	15,341
Net difference between projected and actual earnings on plan investments	96,626	96,626
Changes in proportion and differences between contributions and proportional share of contributions	-	-
Benefit payments and administrative costs paid subsequent to the measurement date	61,078	61,078
		-
Deferred inflows of resources		-
Difference between expected and actual experience	866	866
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	20,966	20,966

d. Other Postemployment Benefit

Healthcare Benefits

Plan Description. Fulltime employees hired prior to July 1, 2019 who retire under the North Carolina Local Governmental Employees' Retirement System (NCLGERS) and have worked a minimum of twenty (20) years with the Town may be eligible to participate in the Town's health plan.

Benefits are provided at no cost to the retiree up to the current rate paid for active full-time employees in the form of a stipend. The retiree is responsible for premiums in excess of this amount.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

1. Pension Plan and Postemployment Obligations-continued

d. Other Postemployment Benefit-continued

Health care and prescription drug coverage are provided by the Town until the retiree reaches Medicare eligibility. The retiree may continue dependent coverage and pay the full cost of this coverage, if enrolled in dependent coverage at the time of retirement.

There is currently no grandfathered retiree who receives dental, vision, and life coverage through the Town at no cost to the retiree. There are only 3 employees who can achieve eligibility through length of service employment in the future. The plan has been closed for employees hired after July 1, 2019.

Total OPEB Liability

The Town's total OPEB liability of \$19,058 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs.

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation 2.50%
Salary increases 3.25% - 8.41%, average, including inflation
Discount rate 3.54%
Healthcare cost trend rates Medical – 7.00%

The discount rate is based on the June average of the Bond Buyers General Obligation 20-year Municipal Bond Index as of the measurement date.

Changes in the Total OPEB Liability:

Total OPEB liability as of June 30, 2023	\$ 15,743
Service cost at the end of the year	2,894
Interest on TOL and cash flows	660
Change in benefit terms	-
Difference between expected and actual experience	-
Change of assumptions or other inputs	(259)
Benefit payments	-
Total OPEB liability as of June 30, 2024	<u>\$ 19,038</u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

1. Pension Plan and Postemployment Obligations-continued

d. Other Postemployment Benefit-continued

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

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 21,505	\$ 19,058	\$ 16,815

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB of the Town, as well as what the Town's OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.0 percent) or one percentage point higher (8.0 percent) than the current healthcare trend rate:

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Total OPEB Liability	\$ 15,025	\$ 19,058	\$ 24,157

For the year ended June 30, 2024, the Town recognized OPEB expense of \$3,576. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,588	\$ 45,095
Town benefit payments subsequent to measurement date	-	-
Changes in assumptions or other inputs	12,497	2,154
Total	\$ 41,085	\$ 47,249

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position is comprised of the following:

Source	Amount
Differences between expected and actual experience:	
Pension plan	\$ 40,229
OPEB	28,588
Changes in assumptions:	
Pension plan	15,341
OPEB	12,497
Net difference between projected and actual earnings on pension plan investments	96,626
Changes in proportion and differences between employer contributions and proportionate share of contributions	-
Contributions to pension plan in current fiscal year	61,078
Total	<u><u>\$ 254,359</u></u>

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

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable, less penalties (General Fund)	\$ -	\$ 7,232
Changes in assumptions-OPEB	2,154	-
Differences between expected and actual experience:		
Pension plan	866	-
OPEB	45,095	-
Net difference between projected and actual earnings on plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,966	-
Total	<u><u>\$ 69,081</u></u>	<u><u>\$ 7,232</u></u>

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 a self-funded risk financing pool administered by the North Carolina League of Municipalities. Through this pool the Town obtains worker's compensation coverage up to the statutory limits. The Town carries commercial insurance for general liability, auto liability coverage, and property coverage. There have been no significant reductions in insurance coverage in the prior year and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Town carries no flood insurance on the Town's property. Most Town property does not lie in a flood plain.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

B. Liabilities-continued

3. Risk Management-continued

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond in the amount of \$50,000 each. The finance officer was individually bonded for \$431,000 at June 30, 2024. The Town does not carry an individual bond on a tax collector because it outsources its tax collection to Cabarrus County.

The Town participates in two self-funded risk-financing pool administered by the North Carolina League of Municipalities. Through this pool, the Town obtains worker's compensation coverage up to statutory limits and employee health coverage. Stop loss insurance is purchased by the Board of Trustee to protect against large medical claims that exceed certain dollar cost levels. Specific information on stop loss policies purchased by the Board of Trustees can be obtained by contacting Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

4. Long-Term Obligations

a. General Obligation Indebtedness

Installment Purchases:

In September 2022, the Town entered into an installment purchase contract with First Bank to finance the Fire Department renovations in the amount of \$2,500,000. The financing contract requires 80 consecutive quarterly principal and interest payments beginning December 8, 2022, with interest calculated on the unpaid principal balances using an interest rate of 3.08% per annum. The installment purchase is collateralized by the full faith, credit, and taxing power of the Town.

The future minimum payments of the installment contract as of June 30, 2024, based on the \$2,281,250 balance as of that date and scheduled annual payments of principal and interest which include \$659,010 of interest, are as follows:

	Principal	Interest	Total
2025	\$ 125,000	\$ 69,776	\$ 194,776
2026	125,000	65,872	190,872
2027	125,000	61,969	186,969
2028	125,000	58,065	183,065
2029	125,000	54,162	179,162
2030-2034	625,000	212,288	837,288
2035-2039	625,000	114,671	739,671
2040-2043	406,250	22,207	428,457
	<u>\$2,281,250</u>	<u>\$ 659,010</u>	<u>\$2,940,260</u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

4. Long-Term Obligations (continued)

a. General Obligation Indebtedness (continued)

Installment Purchases (continued):

In September 2022, the Town entered into an installment purchase contract with First Bank to finance Park improvements in the amount of \$1,200,000. The financing contract requires 80 consecutive quarterly principal and interest payments beginning December 8, 2022, with interest calculated on the unpaid principal balances using an interest rate of 3.08% per annum. The installment purchase is collateralized by the full faith, credit, and taxing power of the Town.

The future minimum payments of the installment contract as of June 30, 2024, based on the \$1,088,524 balance as of that date and scheduled annual payments of principal and interest which include \$316,310 of interest, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 60,000	\$ 33,492	\$ 93,492
2026	60,000	31,619	91,619
2027	60,000	29,745	89,745
2028	60,000	27,871	87,871
2029	60,000	25,998	85,998
2030-2034	300,000	101,884	401,884
2035-2039	300,000	55,042	355,042
2040-2043	188,524	10,659	199,183
	<u>\$1,088,524</u>	<u>\$ 316,310</u>	<u>\$1,404,834</u>

In April 2023, the Town entered into an installment purchase contract with First Bank to finance the purchase of a Smeal Fire Engine in the amount of \$425,842. The financing contract requires 41 consecutive quarterly principal and interest payments of 12,030 beginning July 28, 2023 and one final payment on October 28, 2033 of \$3,845, with interest calculated on the unpaid principal balances using an interest rate of 3.01% per annum. The installment purchase is collateralized by the full faith, credit, and taxing power of the Town.

The future minimum payments of the installment contract as of June 30, 2024, based on the \$389,730 balance as of that date and scheduled annual payments of principal and interest which include \$58,809 of interest, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 36,788	\$ 11,331	\$ 48,119
2026	37,908	10,211	48,119
2027	39,062	9,057	48,119
2028	40,251	7,868	48,119
2029	41,477	6,642	48,119
2020-2034	194,244	13,700	192,476
	<u>\$ 389,730</u>	<u>\$ 58,809</u>	<u>\$ 433,071</u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

4. Long-Term Obligations (continued)

a. General Obligation Indebtedness (continued)

Installment Purchases (continued):

In April 2024, the Town entered into an installment purchase contract with First Bank to finance the purchase of a Hyundai Sante Fe in the amount of \$39,595. The financing contract requires 60 consecutive monthly principal and interest payments of \$747 beginning April 2024 and one final payment on April 2029 of \$744, with interest calculated on the unpaid principal balances using an interest rate of 3.01% per annum. The installment purchase is collateralized by the full faith, credit, and taxing power of the Town.

The future minimum payments of the installment contract as of June 30, 2024, based on the \$37,841 balance as of that date and scheduled annual payments of principal and interest which include \$4,740 of interest, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 7,240	\$1,724	\$ 8,964
2026	7,610	1,354	8,964
2027	7,998	966	8,964
2028	8,407	558	8,965
2029	6,586	138	6,724
	<u>\$37,841</u>	<u>\$4,740</u>	<u>\$42,581</u>

Installment Purchases – Water & Sewer

On December 8, 2022, the Town entered into an installment purchase contract for \$139,908 to finance a 2022 Chevy Truck 550 with crane. The financing contract requires 10 consecutive quarterly principal and interest payments of 4,376 beginning March 3, 2023, with interest calculated on the unpaid principal balances using an interest rate of 4.50% per annum. The installment purchase is collateralized by the full faith, credit, and taxing power of the Town.

The future minimum payments of the installment purchase as of June 30, 2024, including interest of \$29,109 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 17,505	\$ 5,396	\$ 22,901
2026	17,505	4,833	22,338
2027	17,505	4,245	21,750
2028	17,505	3,640	21,145
2029	17,505	3,065	20,570
2030-2031	35,225	7,930	43,155
	<u>\$ 122,750</u>	<u>\$ 29,109</u>	<u>\$ 151,859</u>

Bond Anticipation Note – Water & Sewer

On August 28, 2023, the Town entered into a Water & Sewer Revenue Bond Anticipation Note (Revenue BAN) in the amount of \$6,048,000 with Uwharrie Bank for the purpose of financing public sewer improvements. The Revenue BAN is being issued in anticipation of the issuance of a revenue bond to be purchased from the Town by the United States Department of Agriculture (the USDA) upon substantial completion of the construction of the project. The financing contract from the bank requires interest payments using an interest rate of 4.25% calculated on the basis of a 360-day year consisting of twelve 30-day months. USDA's financing terms includes principal and interest payments based on a maximum interest rate of 2.25%. At June 30, 2024, the Town had been advanced \$1,777,325.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

4. Long-Term Obligations (continued)

f. Changes in Long-Term Liabilities

	Balance			Balance	Current Portion
	June 30, 2023	Increases	Decreases	June 30, 2024	of Balance
Governmental activities:					
Installment purchases	\$ 4,007,908	\$ 39,595	\$ 250,158	\$ 3,797,345	\$ 229,028
Net pension liability (LGERS)	141,814	10,507	-	152,321	-
Net OPEB liability	15,743	3,315	-	19,058	-
Compensated absences	17,694	-	2,684	15,010	-
Governmental activities long-term liabilities	<u>\$ 4,183,159</u>	<u>\$ 53,417</u>	<u>\$ 252,842</u>	<u>\$ 3,983,734</u>	<u>\$ 229,028</u>
Business-type activities:					
Installment purchases	\$ 266,359	\$ -	\$ 143,609	\$ 122,750	\$ 17,505
Bond anticipation note		\$ 6,048,000		6,048,000	
Net pension liability (LGERS)	183,132	25,571	-	208,703	-
Compensated absences	27,558	-	4,832	22,726	-
Business-type activities long-term liabilities	<u>\$ 477,049</u>	<u>\$ 6,073,571</u>	<u>\$ 148,441</u>	<u>\$ 6,402,179</u>	<u>\$ 17,505</u>

At June 30, 2024, the Town of Mount Pleasant had a remaining legal debt margin of \$15,587,728.

C. Interfund Balances and Activity

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

To	Water Sewer	\$ 390,608
From	General Fund	23,668
From	Water Sewer Infrastructure Upgrade Capital Project	45,440
From	Water Distribution Improvements Capital Project	169,400
From	Lower Adams Creek Capital Project	149,600
From	Water Line Distribution Improvements Capital Project	2,500

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.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

C. Interfund Balances and Activity

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

From the General Fund to the General Capital Project Funds - to fund the projects	\$ 76,822
From the Capital Reserve Fund to the General Fund to satisfy the budget ordinance	144,228
From the General Capital Projects Funds to the General Fund to satisfy the budget ordinance	30,275

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 7,723,701	\$ 5,421,219
less: long-term debt	3,797,345	1,566,089
add: unexpended debt proceeds	-	-
Net investment in capital assets	<u>\$ 3,926,356</u>	<u>\$ 3,855,130</u>

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>\$ 3,066,755</u>
Less:	
Stabilization by State Statute	193,389
Streets - Powell Bill	6,921
Assigned for subsequent year's expenditures	97,081
Retiree health insurance	27,576
Remaining Fund Balance	\$ 2,741,788

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

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

The Town of Mount Pleasant has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business of the Town in such a manner that available fund balance is at least equal to or greater than 42% of the next fiscal year budget.

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

IV. Joint Ventures

The Town and the members of the Town's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums which insurers remit to the State. The State passes these moneys to the local board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the board of trustees. During the fiscal year ended June 30, 2024, the Town did not report any revenues and expenditures for these payments because no benefit payments were paid to the Town through the Firemen's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2024. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

V. Summary Disclosure of Significant Contingencies

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 statements for the refund of grant moneys.

VI. Change in Accounting Principal

The Town analyzed its need to implement GASB 96, Subscription-Based Information Technology Arrangements, and determined it would not have a material effect on the Town's financials.

VII. Subsequent Events

Town administrative staff has evaluated subsequent events through October 31, 2024, the date the financial statements were available to be issued. The ABC Board management has evaluated subsequent events through August 7, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in the Total OPEB Liability and Related Ratios

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
TOWN OF MOUNT PLEASANT'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
Mount Pleasant's proportion of the net pension liability (asset) (%)	0.00545%	0.00576%	0.00660%	0.00693%	0.00536%	0.00459%	0.00428%	0.00420%	0.00320%	0.00528%
Mount Pleasant's proportion of the net pension liability (asset) (\$)	\$ 361,024	\$ 324,946	\$ 101,217	\$ 247,638	\$ 146,377	\$ 108,890	\$ 65,387	\$ 89,139	\$ 14,361	\$ (31,138)
Mount Pleasant's covered-employee payroll	\$ 445,429	\$ 434,814	\$ 438,069	\$ 428,512	\$ 409,300	\$ 340,651	\$ 278,125	\$ 286,972	\$ 312,741	\$ 298,171
Mount Pleasant's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	81.05%	74.73%	23.11%	57.79%	35.76%	31.97%	23.51%	31.06%	4.59%	(10.44%)
Plan fiduciary net position as a percentage of the total pension liability	84.29%	94.93%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.47%

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
TOWN OF MOUNT PLEASANT'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	\$ 61,078	\$ 53,897	\$ 49,351	\$ 50,426	\$ 64,662	\$ 56,852	\$ 46,465	\$ 37,241	\$ 18,928	\$ 24,671
Contributions in relation to the contractually required contribution	61,078	53,897	49,351	50,426	64,662	56,852	46,465	37,241	18,928	24,671
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mount Pleasant's covered-employee payroll	\$ 474,021	\$ 445,429	\$ 434,814	\$ 438,069	\$ 428,512	\$ 409,300	\$ 340,651	\$ 278,125	\$ 286,972	\$ 312,741
Contributions as a percentage of covered employee payroll	12.89%	12.10%	11.35%	11.51%	15.09%	13.89%	13.64%	13.39%	6.60%	7.89%

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

Total OPEB liability	2024	2023	2022	2021	2020	2019	2018
Beginning balance	\$ 15,763	\$ 61,008	\$ 46,815	\$ 6,918	\$ 12,906	\$ 18,348	\$ -
Service Cost	2,894	5,695	5,673	-	-	-	-
Interest on total pension liability	660	1,441	1,160	164	383	544	-
Differences between expected and actual experience in the measurement of the total pension liability	-	(50,255)	-	36,228	(204)	235	-
Changes of assumptions or other inputs	(259)	(2,126)	7,360	8,001	13	(41)	-
Benefit payments	-	-	-	(4,496)	(6,180)	(6,180)	-
Other changes	-	-	-	-	-	-	-
Ending balance of the total OPEB liability	<u>\$ 19,058</u>	<u>\$ 15,763</u>	<u>\$ 61,008</u>	<u>\$ 46,815</u>	<u>\$ 6,918</u>	<u>\$ 12,906</u>	<u>\$ -</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Total OPEB liability as a percentage of covered payroll

N/A

N/A

N/A

N/A

N/A

Notes to Schedule

Actuarial information for 2018 is not available.
Covered employee payroll is not provided since there are fewer than 10 participants in the plan.

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

<u>Fiscal year</u>	<u>Rate</u>
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2024

(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues				
Ad valorem taxes				
Taxes	\$ 989,312	\$ 1,006,145	\$ 16,833	\$ 980,694
Penalties and interest	2,500	3,990	1,490	3,564
Total	991,812	1,010,135	18,323	984,258
Unrestricted intergovernmental				
Local option sales tax	338,000	384,887	46,887	367,162
Utility sales tax	80,000	100,404	20,404	95,535
Telecommunications sales tax	7,000	8,454	1,454	7,557
Local video program tax	7,000	13,032	6,032	10,602
Beer and wine taxes	7,000	8,471	1,471	7,660
ABC profit distribution	-	-	-	24,023
Total	439,000	515,248	76,248	512,539
Sales, permits, and fees				
Rent and other	25,000	28,875	3,875	18,225
Solid waste fees	5,000	11,736	6,736	8,618
Demo fees-code enforcement liens	400	-	(400)	5,819
Recycling fees	24,000	20,158	(3,842)	21,719
Permits and fees	5,000	9,815	4,815	10,450
Total	59,400	70,584	11,184	64,831
Restricted intergovernmental				
Solid waste disposal tax	1,600	1,369	(231)	1,362
Plymovent Federal Grant by FEMA	78,000	-	(78,000)	79,476
ESHPP Grant	-	8,050	8,050	12,250
Cabarrus Co Economic Dev Grant	20,000	20,000	-	-
Powell Bill allocation	50,000	56,368	6,368	50,356
Total	149,600	85,787	(63,813)	143,444
Restricted intergovernmental-public safety				
Cabarrus Co. EMS grant	1,000	1,000	-	-
Cabarrus Co. EMS grant	27,240	27,240	-	1,000
Contract fire-Cabarrus Co.	642,557	636,923	(5,634)	619,810
Contract fire-Cabarrus Co tax distribution	183,590	170,869	(12,721)	149,935
Total	854,387	836,032	(18,355)	770,745
Investment earnings	87,414	120,105	32,691	38,974
Other revenues				
Arts council grant	-	-	-	7,000
Miscellaneous	4,000	11,850	7,850	7,162
Events revenue	12,500	13,280	780	12,993
Total	16,500	25,130	8,630	27,155
Total revenues	2,598,113	2,663,021	64,908	2,541,946

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal 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>2023 Actual</u>
Expenditures				
General government				
Town Hall				
Contracted services	12,000	6,250	5,750	5,125
Utilities	18,000	12,803	5,197	12,087
Maintenance and repairs-building	6,000	1,895	4,105	12,816
Maintenance and repairs-equipment	1,000	2,257	(1,257)	200
Insurance-property and casualty	42,000	41,734	266	39,300
Telephone	12,500	9,136	3,364	10,482
Cleaning supplies	1,000	438	562	234
Fuel	500	445	55	264
Capital outlay building	-	-	-	-
Total	<u>93,000</u>	<u>74,958</u>	<u>18,042</u>	<u>80,508</u>
Governing body				
Mayor-stipend	7,200	7,200	-	7,200
Board member stipend	15,000	15,000	-	15,000
Social security	1,750	1,698	52	1,698
Education and travel	600	1,046	(446)	-
Election fee	7,500	4,732	2,768	-
Cabarrus Economic Development	2,500	2,000	500	2,000
Cabarrus Rowan MPO	700	324	376	380
Communications-mobile	600	650	(50)	600
Meeting and supplies	3,000	323	2,677	1,084
Board miscellaneous expense	1,800	1,011	789	1,221
Total	<u>40,650</u>	<u>33,984</u>	<u>6,666</u>	<u>29,183</u>
Administration and Finance				
Salaries and wages	65,000	64,306	694	52,651
Salaries and wages-longevity	1,250	1,250	-	1,250
Health insurance	9,075	7,601	1,474	7,081
Future retiree insurance	3,600	-	3,600	-
Insurance-dental/vision	600	450	150	488
Social security	6,600	6,411	189	5,821
Employee benefits-retirement	7,400	7,345	55	6,522
Employee benefits-401k	2,900	2,910	(10)	2,794
Dues and subscriptions	4,100	4,884	(784)	3,454
Education and travel	6,000	1,816	4,184	3,139
Insurance-workman's comp	2,600	-	2,600	620
Attorney fees	21,000	20,139	861	10,889
Auditor fees	20,000	11,596	8,404	11,280
Tax collection expense	6,000	4,403	1,597	4,694
Tax penalty paid to school system	2,000	2,186	(186)	1,672
Town branding	5,000	-	5,000	25,598
Contracted services	97,500	89,677	7,823	38,916
Communications-mobile	3,200	3,180	20	2,640
Advertising	3,500	848	2,652	1,465
Office supplies and postage	4,027	4,729	(702)	4,119
Computers and software	15,000	11,522	3,478	12,111
Office staff uniforms	750	133	617	-
Capital outlay-vehicles and equipment	-	39,595	(39,595)	-
Attorney fees-municipal complex	-	-	-	8,082
Capital outlay-real estate acquisition	55,000	5,518	49,482	327,361
Miscellaneous	13,726	23,653	(9,927)	7,240
Total	<u>355,828</u>	<u>314,152</u>	<u>41,676</u>	<u>539,887</u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Planning and development				
Salaries and wages	56,900	57,670	(770)	54,440
Salaries and wages code enforcement	24,000	22,613	1,387	10,097
Planning board stipend	7,200	7,200	-	7,200
Health insurance	6,900	6,900	-	6,052
Insurance-dental/vision	540	403	137	360
Social security	6,500	6,693	(193)	5,488
Employee benefits-retirement	7,400	7,411	(11)	6,587
Employee benefits-401k	2,900	2,883	17	2,722
Dues and subscriptions	1,500	651	849	586
Education and travel	2,000	1,314	686	802
Attorney fees	-	-	-	1,535
Contracted services-planning	3,000	3,000	-	3,000
Abatement & demolition	5,000	1,732	3,268	-
Town branding expense	3,000	150	2,850	150
Studies-planning	80,500	20,000	60,500	25,800
Downtown development	6,000	-	6,000	-
Facade improvement program	10,000	5,000	5,000	24,431
Economic development	-	-	-	3,200
Advertising	5,000	2,724	2,276	2,516
Uniforms	800	-	800	-
Resources & manuals	500	-	500	159
Code enforcement-miscellaneous	1,500	50	1,450	2,306
Department supplies and postage	1,250	1,035	215	1,074
Total	232,390	147,429	84,961	158,505
Total general government	721,868	570,523	151,345	808,083

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Public safety				
Law enforcement				
Contract services-Cabarrus County	151,193	151,193	-	151,193
Maintenance and repair -vehicles and equipment	3,000	643	2,357	1,585
Departmental supplies and postage	800	642	158	600
Fuel	8,000	3,580	4,420	4,923
Total	162,993	156,058	6,935	158,301
Fire department				
Salaries and wages	459,240	423,969	35,271	377,916
Pay per call	4,000	-	4,000	452
Health insurance	3,800	3,800	-	3,130
Insurance-dental/vision	200	200	-	150
Social security	34,000	32,434	1,566	28,945
Employee benefits-retirement	3,500	3,554	(54)	3,114
Employee benefits-401k	1,400	1,400	-	1,287
Dues and subscriptions	12,500	9,666	2,834	16,203
Education and travel	7,000	3,368	3,632	-
Firemen's physicals	2,500	-	2,500	-
Background checks	500	-	500	76
Insurance-workman's comp	18,000	8,038	9,962	15,000
Auditing services	3,500	3,500	-	3,000
Contracted services	-	8,246	(8,246)	
Utilities	12,500	16,083	(3,583)	5,886
Maintenance and repairs-building	10,500	8,258	2,242	4,668
Maintenance and repairs-vehicles and equipment	45,000	42,650	2,350	64,897
Insurance-property and casualty	34,000	31,139	2,861	30,515
Telephone	4,100	4,025	75	6,467
Communications-mobile	3,250	6,319	(3,069)	2,604
Departmental supplies and materials	31,000	15,937	15,063	6,277
Office supplies	4,234	2,115	2,119	167
Fire and rescue supplies	18,000	18,129	(129)	14,917
Uniforms	5,600	1,731	3,869	4,345
EMS supplies	3,000	5,589	(2,589)	2,315
Computers and software	24,783	25,639	(856)	6,640
Personal protective gear	25,000	16,251	8,749	12,609
Fuel	20,500	12,814	7,686	16,382
Capital outlay-building	30,000	7,150	22,850	8,395
Capital outlay-radios	21,792	20,367	1,425	
Capital outlay-vehicles & equipment	80,198	71,133	9,065	-
Miscellaneous	21,090	3,422	17,668	4,968
Total	944,687	806,926	137,761	641,325
Total public safety	1,107,680	962,984	144,696	799,626

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2024

(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Public works				
Public works facilities general				
Contracted services	1,440	40	1,400	-
Utilities	36,000	37,416	(1,416)	32,393
Maintenance and repairs-building	5,000	47	4,953	2,148
Insurance property and casualty	3,400	3,400	-	2,486
Telephone	2,100	1,160	940	1,959
Department supplies & postage	500	493	7	621
Capital outlay-PW building	15,194	15,194	-	-
Miscellaneous	2,500	320	2,180	853
Total	66,134	58,070	8,064	40,460
Streets				
Salaries	26,000	21,491	4,509	22,728
Salaries-part time	13,500	11,055	2,445	8,552
Health insurance	5,500	5,725	(225)	4,665
Insurance-dental/vision	350	205	145	192
Social security	2,400	2,490	(90)	2,393
Employee benefits-retirement	3,400	2,762	638	2,750
Employee benefits-401k	1,500	1,075	425	1,126
Education and travel	500	-	500	90
Insurance-workman's comp	4,200	4,200	-	900
Contracted services-other	-	676	(676)	(500)
Snow and ice removal	2,000	-	2,000	163
Maintenance and repairs-veh & equip	6,000	7,169	(1,169)	5,621
Maintenance and repairs-sidewalks	8,000	-	8,000	2,250
Maintenance and repairs-streets	121,600	105,878	15,722	8,576
Maintenance and repairs-parking lot	5,000	850	4,150	3,210
Departmental supplies and materials	3,500	6,001	(2,501)	15,262
Fuel	3,000	763	2,237	718
Powell Bill expenditures	95,800	96,175	(375)	56,163
Capital outlay-vehicles & equipment	-	-	-	118,439
Total	302,250	266,515	35,735	253,298
Sanitation				
Contract services-recycling	21,600	20,089	1,511	20,533
Contract services	81,300	67,362	13,938	75,487
Landfill fees	42,000	32,828	9,172	35,290
Departmental supplies and postage	12,000	11,424	576	1,132
Total	156,900	131,703	25,197	132,442
Buildings and grounds				
Salaries	46,000	36,562	9,438	37,524
Salaries-part time	12,800	10,608	2,192	8,552
Health insurance	9,600	9,600	-	9,217
Insurance-dental/vision	550	361	189	230
Social security	4,300	3,608	692	3,525
Employee benefits-retirement	5,800	4,698	1,102	4,541
Employee benefits-401k	2,300	1,828	472	1,876
Insurance-workman's comp	2,800	2,800	-	900
Maintenance and repairs-veh & equip	2,000	793	1,207	732
Departmental supplies and postage	6,600	5,689	911	1,202
Capital outlay-building grounds & equipment	12,014	12,014	-	-
Total	104,764	88,561	16,203	68,299
Total public works	630,048	544,849	85,199	494,499

TOWN OF MOUNT PLEASANT, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2024

(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Cultural and recreational				
Park maintenance	40,900	35,615	5,285	19,861
Mt Pleasant beautification	5,000	7,030	(2,030)	4,041
Cabarrus Arts Council	-	-	-	1,000
Eastern Cabarrus Historical Society	-	-	-	1,000
Cabarrus Health Alliance	500	420	80	420
Youth council	2,000	189	1,811	900
Independence day celebration	21,500	20,675	825	12,606
Christmas parade	2,200	846	1,354	2,185
Charitable contribution	4,200	3,767	433	30
Christmas decorations	4,300	1,685	2,615	8,177
Events expense	10,600	11,704	(1,104)	7,252
Trailhead at Mailbu Road	3,200	2,300	900	4,471
Total cultural and recreational	94,400	84,231	10,169	61,943
Debt service				
Principal	225,725	244,253	(18,528)	265,593
Interest	130,298	128,132	2,166	87,973
Total debt service	356,023	372,385	(16,362)	353,566
Total expenditures	2,910,019	2,534,972	375,047	2,517,717
Revenues over (under) expenditures	(311,906)	128,049	439,955	24,229
Other financing sources (uses)				
Transfer to capital projects fund	(222,995)	(74,100)	148,895	(206,964)
Transfer to capital reserve general fund	-	(2,722)	(2,722)	(79,046)
Transfer to proprietary fund	-	-	-	(4,376)
Transfer from proprietary fund	-	-	-	3,576
Transfer from capital projects fund	-	30,275	30,275	-
Transfer from capital reserve general fund	144,228	144,228	-	36,126
Sale of capital assets	300,000	303,294	3,294	122,802
Insurance recovery	-	-	-	20,859
Installment loan obligation issued	-	39,595	39,595	-
Total	221,233	440,570	219,337	(107,023)
Fund balance appropriated	90,673	-	(90,673)	-
Net change in fund balance	\$ -	568,619	\$ 568,619	(82,794)
Fund balances				
Fund balances, beginning		2,498,136		2,580,929
Fund balances, ending		\$ 3,066,755		\$ 2,498,136

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-SIDEWALKS - GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income	\$ -	\$ -	\$ 21,206	\$ 21,206	\$ 21,206
State Grant	2,700,000	-	35,550	35,550	(2,664,450)
Total revenues	2,700,000	-	56,756	56,756	(2,643,244)
Expenditures					
Construction	2,700,000	-	-	-	2,700,000
Engineering and architect fees	-	-	35,297	35,297	(35,297)
Miscellaneous	-	-	254	254	(254)
Total expenditures	2,700,000	-	35,551	35,551	2,664,449
Revenues over (under) expenditures	-	-	21,206	21,206	21,206
Other financing sources (uses)					
Transfers from Water Sewer Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 21,206	\$ 21,206	\$ 21,206

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-FIRE DEPARTMENT FACILITY - GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income	\$ -	\$ 1,299	\$ 228	\$ 1,527	\$ 1,527
Total revenues	-	1,299	228	1,527	1,527
Expenditures					
Building construction	2,228,800	965,583	1,665,335	2,630,918	(402,118)
Parking lot construciton	100,000	-	-	-	100,000
Engineering and architect fees	350,000	333,725	11,600	345,325	4,675
Miscellaneous	470,868	30,369	80,905	111,274	359,594
Total expenditures	3,149,668	1,329,677	1,757,840	3,087,517	62,151
Revenues over (under) expenditures	(3,149,668)	(1,328,378)	(1,757,612)	(3,085,990)	63,678
Other financing sources (uses)					
Transfer from General Fund	649,668	606,749	(6,778)	599,971	(49,697)
Proceeds from installment borrowing	2,500,000	2,500,000		2,500,000	-
Total other financing sources (uses)	3,149,668	3,106,749	(6,778)	3,099,971	(49,697)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,778,371	\$ (1,764,391)	\$ 13,980	\$ 13,980

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-MUNICIPAL COMPLEX AND PARK IMPROVEMENTS - GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income	\$ -	\$ 54	\$ 8	\$ 62	\$ 62
Total revenues	-	54	8	62	62
Expenditures					
Construction	1,255,137	1,212,126	149,145	1,361,271	(106,134)
Miscellaneous and contingency	244,863	108,037	19,689	127,726	117,137
Total expenditures	1,500,000	1,320,163	168,834	1,488,997	11,003
Revenues over (under) expenditures	(1,500,000)	(1,320,109)	(168,826)	(1,488,935)	11,065
Other financing sources (uses)					
Transfer from NC State SCIF fund	300,000	300,000	-	300,000	-
Transfer from General Fund	-	-	1,502	300,000	-
Proceeds from installment borrowing	1,200,000	1,200,000	-	1,200,000	-
Total other financing sources (uses)	1,500,000	1,500,000	1,502	1,501,502	1,502
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 179,891	\$ (167,324)	\$ 12,567	\$ 12,567

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Capital Projects				Total Non-major Governmental Funds
	Capital Reserve Fund	Street Improvements Fund	Town Parking Lot Fund	Storm Drainage Improvements Fund	
Assets					
Cash and cash equivalents	\$ 87,145	\$ 127,568	\$ 5,035	\$ 5,012	\$ 224,760
Restricted cash	-	-	-	-	-
Due from other government	-	-	-	-	-
Total assets	<u>87,145</u>	<u>127,568</u>	<u>5,035</u>	<u>5,012</u>	<u>224,760</u>
Liabilities and fund balances					
Liabilities					
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Capital reserve	87,145	-	-	-	87,145
Capital project	-	127,568	5,035	5,012	137,615
Total fund balances	<u>87,145</u>	<u>127,568</u>	<u>5,035</u>	<u>5,012</u>	<u>224,760</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 87,145</u>	<u>\$ 127,568</u>	<u>\$ 5,035</u>	<u>\$ 5,012</u>	<u>\$ 224,760</u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Capital Projects				Total Non-major Governmental Funds
	Capital Reserve Fund	Street Improvements Fund	Town Parking Lot Fund	Storm Drainage Improvements Fund	
Revenues					
Interest income	\$ 245	\$ 50		\$ -	\$ 295
Total revenues	245	50	-	-	295
Other financing sources (uses)					
Engineering and architect fees	-	-	(7,965)	(31,088)	(39,053)
Transfer from General Fund	2,722	127,518	13,000	36,100	179,340
Transfer to General Fund	(144,242)	-	-	-	(144,242)
Total other financing sources (uses)	(141,520)	127,518	5,035	5,012	(3,955)
Revenues and other financing sources over (under) expenditures and other financing uses	(141,275)	127,568	5,035	5,012	(3,660)
Fund balance, beginning	228,420	-	-	-	228,420
Fund balance, ending	<u>\$ 87,145</u>	<u>\$ 127,568</u>	<u>\$ 5,035</u>	<u>\$ 5,012</u>	<u>\$ 224,760</u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-CAPITAL RESERVE FUND - GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income	\$ -	\$ 290	\$ 245	\$ 535	\$ 535
Total revenues	-	290	245	535	535
Other financing sources (uses)					
Debt proceeds				-	-
Transfer from General Fund	400,000	541,926	2,722	544,648	144,648
Transfer from Water Sewer Fund	-	-	-	-	-
Transfer to General Fund	(400,000)	(313,796)	(144,242)	(458,038)	(58,038)
Total other financing sources (uses)	-	228,130	(141,520)	86,610	86,610
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 228,420	\$ (141,275)	\$ 87,145	\$ 87,145

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT - S. WASHINGTON STREET (CMAQ) - GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Federal grant	\$ 510,072	\$ -	\$ -	\$ -	\$ (510,072)
Interest income	-	18	31	49	49
Total revenues	510,072	18	31	49	(510,023)
Expenditures					
Construction	637,590	-	-	-	637,590
Miscellaneous and contingency	-	-	-	-	-
Total expenditures	637,590	-	-	-	637,590
Revenues over (under) expenditures	(127,518)	18	31	49	127,568
Other financing sources (uses)					
Transfer from General Fund	127,518	127,518	-	127,518	-
Total other financing sources (uses)	127,518	127,518	-	127,518	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 127,536	\$ 31	\$ 127,568	\$ 127,568

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-TOWN PARKING LOT IMPROVEMENTS - GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Construction				-	-
Engineering and architect fees	-	-	7,965	7,965	(7,965)
Miscellaneous and contingency	-	-	-	-	-
Total expenditures	-	-	7,965	7,965	(7,965)
Revenues over (under) expenditures	-	-	(7,965)	(7,965)	(7,965)
Other financing sources (uses)					
Transfer from general fund			13,000	13,000	13,000
Total other financing sources (uses)	-	-	13,000	13,000	13,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 5,035	\$ 5,035	\$ 5,035

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-STORM DRAIN IMPROVEMENTS - GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Construction				-	-
Engineering and architect fees	-	-	31,088	31,088	(31,088)
Miscellaneous and contingency	-	-	-	-	-
Total expenditures	-	-	31,088	31,088	(31,088)
Revenues over (under) expenditures	-	-	(31,088)	(31,088)	(31,088)
Other financing sources (uses)					
Transfer from general fund			36,100	36,100	36,100
Total other financing sources (uses)	-	-	36,100	36,100	36,100
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 5,012	\$ 5,012	\$ 5,012

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues				
Charges for services				
Water charges	\$ 726,000	\$ 716,570	\$ (9,430)	\$ 696,010
Sewer charges	590,600	588,525	(2,075)	561,585
Customer fees	36,800	37,664	864	39,518
Water and sewer taps	30,000	30,000	-	13,475
FEMA grant for dam repairs	-	-	-	222,148
ESHPP grant	8,000	8,000	-	57,000
Lease revenue cell phone satellites	23,170	23,177	7	22,502
Other operating revenues	2,700	2,794	94	153
Total operating revenues	1,417,270	1,406,730	(10,540)	1,612,391
Nonoperating revenues				
Investment earnings	50,000	50,955	955	19,295
Total nonoperating revenues	50,000	50,955	955	19,295
Total revenues	1,467,270	1,457,685	(9,585)	1,631,686
Expenditures				
Billing and water sewer administration				
Salaries and wages	110,000	106,014	3,986	91,136
Salaries and wages longevity	750	250	500	500
Health insurance	16,000	16,000	-	14,528
Insurance-dental/vision	900	445	455	825
Social security	10,000	9,946	54	8,268
Employee benefits-retirement	13,000	12,763	237	11,088
Employee benefits-401k	5,200	4,953	247	4,582
Employee benefits-future ret.insurance	3,600	-	3,600	-
Dues and subscriptions	750	635	115	625
Insurance-workman's comp	2,600	-	2,600	1,659
Contracted services-engineer	48,000	36,313	11,687	57,173
Auditor fees	20,000	11,564	8,436	15,378
Attorney fees	5,000	795	4,205	5,056
Contracted services-administration	21,000	21,826	(826)	18,780
Equipment lease	7,000	5,458	1,542	5,391
Studies	8,000	8,000	-	57,000
Transaction processing fees	14,000	24,059	(10,059)	13,892
Communications-mobile	2,500	2,486	14	2,411
Office supplies and postage	11,000	7,235	3,765	11,459
Uniforms	5,500	1,916	3,584	3,479
Fuel	2,700	4,712	(2,012)	3,731
Miscellaneous	11,200	4,722	6,478	7,189
Bad debt provision	-	5,143	(5,143)	6,589
Total billing and administrative	318,700	285,235	33,465	340,739

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Expenditures-continued				
Public Works Facility-Water and Sewer				
Contracted services	-	260	(260)	113
Utilities	8,750	11,100	(2,350)	11,132
Maintenance and repairs-building	13,000	5,212	7,788	9,116
Insurance-property and casualty	9,000	9,000	-	4,742
Telephone	4,000	5,143	(1,143)	5,498
Office supplies	6,000	8	5,992	156
Capital outlay-building	16,694	15,194	1,500	-
Total public works facility	57,444	45,917	11,527	30,757
Water distribution				
Salaries and wages	45,500	39,753	5,747	42,379
Salaries and wages-part time	7,800	10,608	(2,808)	8,552
Health insurance	9,600	7,042	2,558	8,480
Insurance-dental/vision	600	300	300	504
Social security	4,200	3,853	347	3,896
Employee benefits-retirement	5,900	5,108	792	5,128
Employee benefits-401k	2,300	1,988	312	2,044
Education and travel	1,500	1,179	321	109
Contracted services	6,500	13,438	(6,938)	10,402
Water purchase	10,000	3,366	6,634	2,936
Maintenance and repairs-hydrants	14,178	17,767	(3,589)	5,790
Maintenance and repairs-veh& equip.	3,000	935	2,065	2,353
Maintenance and repairs-water lines	60,000	59,205	795	26,709
Maintenance and repairs-meters	45,150	46,078	(928)	35,295
Departmental supplies	8,000	10,163	(2,163)	8,234
Capital outlay-vehicles and equipment	-	-	-	17,300
Miscellaneous	2,100	901	1,199	614
Total water distribution	226,328	221,684	4,644	180,725
Water treatment plant				
Salaries and wages	108,800	94,961	13,839	74,762
Salaries and wages-part time	44,000	45,508	(1,508)	25,480
Salaries and wages-longevity	250	-	250	250
Health insurance	8,600	5,772	2,828	7,555
Insurance-dental/vision	500	449	51	435
Social security	8,400	10,746	(2,346)	7,688
Employee benefits-retirement	10,126	12,368	(2,242)	9,076
Employee benefits-401k	3,940	4,748	(808)	3,751
Dues and subscriptions	5,250	7,591	(2,341)	4,757
Education and travel	500	385	115	255
Insurance-workers comp	3,300	-	3,300	1,659
Insurance-property and casualty	3,900	3,900	-	3,500
Contracted services	52,722	47,095	5,627	31,163
Utilities	42,000	40,401	1,599	38,771
Maintenance and repairs-building	42,000	38,612	3,388	4,324
Maintenance and repairs-vehicle	1,318	1,454	(136)	1,148
Maintenance and repairs-equipment	22,000	23,556	(1,556)	209,823
Telephone	2,000	1,460	540	1,870
Mobil communications	600	1,250	(650)	600

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Expenditures-continued				
Departmental supplies	18,220	20,942	(2,722)	9,077
Office supplies	500	485	15	382
Chemicals	66,000	57,413	8,587	34,335
Computers & software	1,200	-	1,200	-
Fuel	200	347	(147)	172
Miscellaneous	3,700	12,401	(8,701)	1,306
Total water treatment plant	450,026	431,844	18,182	472,139
Sewer collection				
Salaries and wages	45,500	39,446	6,054	41,924
Salaries and wages-part time	7,800	10,576	(2,776)	8,520
Health insurance	9,600	7,031	2,569	8,480
Insurance-dental/vision	600	300	300	504
Social security	4,200	3,827	373	3,859
Employee benefits-retirement	5,900	5,069	831	5,073
Employee benefits-401k	2,300	1,972	328	1,995
Education and travel	1,500	1,374	126	24
Sewage treatment	226,600	245,028	(18,428)	229,648
Maintenance and repairs-veh & equip.	6,000	500	5,500	5,635
Maintenance and repairs-sewer lines	25,000	5,470	19,530	4,128
Maintenance and repairs-pump station	23,000	16,252	6,748	22,346
Departmental supplies	5,000	2,773	2,227	8,358
Capital outlay-veh & equip	33,536	33,217	319	157,249
Miscellaneous	3,500	243	3,257	617
Total sewer collection	400,036	373,078	26,958	498,360
Debt service				
Interest	9,860	9,453	407	10,842
Principal retirement	167,284	143,621	23,663	160,996
Total debt service	177,144	153,074	24,070	171,838
Total expenditures	1,629,678	1,510,832	118,846	1,694,558
Revenues over (under) expenditures	(162,408)	(53,147)	109,261	(62,872)
Other financing sources (uses):				
Installment loan proceeds	-	-	-	139,908
Insurance recovery	4,178	4,178	-	12,891
Transfer from ARP fund	-	-	-	354,073
Transfer from general fund	-	-	-	4,376
Transfer to capital reserve	(50,000)	-	50,000	-
Transfer to general fund	-	-	-	(3,576)
Transfer to capital projects	-	-	-	(50,000)
Total	(45,822)	4,178	50,000	457,672
Fund balance appropriated	208,230	-	(208,230)	-

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>(48,969)</u>	<u>\$ (48,969)</u>	<u>394,800</u>
Reconciliation from budgetary basis (modified accrual) to full accrual				
Revenues over expenditures		<u>(48,969)</u>		<u>394,800</u>
Reconciling items				
Capital outlay		1,985,967		174,549
Debt principal retirement		143,621		160,996
Decrease in accrued interest		596		398
Decrease in compensated absences		4,832		1,604
Decrease in deferred inflows of resources-pensions		(1,529)		71,725
Decrease in deferred outflows of resources-pensions		(289)		27,079
Depreciation		(142,598)		(127,728)
Increase in due to other funds		1,819		697
Increase in net pension liability		(25,571)		(127,011)
Installment loan proceeds		(1,937,556)		(139,908)
Investment income capital projects fund		29,519		61
State grants to capital projects		377,635		99,600
Transfer to capital projects		-		50,000
Total reconciling items		<u>436,446</u>		<u>192,062</u>
Change in net position		<u>\$ - 387,477</u>		<u>\$ 586,862</u>

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-USDA FINANCED INFRASTRUCTURE UPGRADE - WATER SEWER FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income-water project	\$ -	\$ 51	\$ 3	\$ 51	\$ 51
Interest income-sewer project	-	88	49	88	88
Total revenues	-	139	52	139	139
Expenditures					
Predev expense-water project	-	107,241	-	107,241	(107,241)
Construction-sewer project	4,662,874	-	1,324,112	1,324,112	3,338,762
Bond counsel-sewer project	30,000	-	10,000	10,000	20,000
Other legal and fiscal	10,000	-	-	-	10,000
Engineering-sewer project	438,000	104,000	-	104,000	334,000
Administraton	2,000	-	-	-	2,000
Easement expense-sewer project	-	-	-	-	-
Contingency	466,000	6,163	21,605	27,768	438,232
Capitalized interest	439,126	-	204,204	204,204	234,922
Total expenditures	6,048,000	217,404	1,559,921	1,777,325	4,270,675
Revenues over (under) expenditures	(6,048,000)	(217,265)	(1,530,450)	(1,747,715)	4,300,285
Other financing sources (uses)					
USDA loan proceeds-sewer project	6,048,000	-	6,048,000	6,048,000	-
Transfer from Water Sewer Fund	-	90,000	-	90,000	90,000
Total other financing sources (uses)	6,048,000	90,000	6,048,000	6,138,000	90,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (127,265)	\$ 4,517,550	\$ 4,390,285	\$ 4,390,285

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
WATER DISTRIBUTION IMPROVEMENTS CAPITAL PROJECT NO. SRP-W-ARP-0082
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
NC State Fiscal Recovery - ARP	\$ 7,325,000	\$ 76,050	\$ 171,287	\$ 247,337	\$ (7,077,663)
Interest	-	7	21	28	28
Total revenues	7,325,000	76,057	171,308	247,365	(7,077,635)
Expenditures					
Construciton costs	6,580,000	-	-	-	6,580,000
Engineering	710,000	99,450	169,650	269,100	440,900
Administration costs	35,000	-	1,637	1,637	33,363
Total expenditures	7,325,000	99,450	171,287	270,737	7,054,263
Revenues over (under) expenditures	-	(23,393)	21	(23,372)	(23,372)
Other financing sources (uses)					
Transfers from Water Sewer Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (23,393)	\$ 21	\$ (23,372)	\$ (23,372)

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
LOWER ADAMS CREEK SEWER CAPITAL PROJECT NO. SRP-W-ARP-0081
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)
From Inception and For the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
NC State Fiscal Recovery Fund/ARP	\$ 5,475,000	\$ 23,550	206,348	\$ 229,898	\$ (5,245,102)
Interest	-	-	22	22	22
Total revenues	5,475,000	23,550	206,370	229,920	(5,245,080)
Expenditures					
Construcion costs	4,275,000			-	4,275,000
Engineering	682,000	78,500	204,100	282,600	399,400
Contingencies	428,000			-	428,000
Administration costs	90,000	-	2,248	2,248	87,752
Total expenditures	5,475,000	78,500	206,348	284,848	5,190,152
Revenues over (under) expenditures	-	(54,950)	22	(54,928)	(54,928)
Other financing sources (uses)					
Transfers from Water Sewer Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (54,950)	\$ 22	\$ (54,928)	\$ (54,928)

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-WATER DISTRIBUTION IMPROVEMENTS UNDER SL 2023-134 - WATER SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income	\$ -	\$ -	\$ 4	\$ 4	\$ 4
State Grant	100,000	-	100,000	100,000	-
Total revenues	100,000	-	100,004	100,004	4
Expenditures					
Construction	100,000	-	-	-	100,000
Engineering and architect fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	100,000	-	-	-	100,000
Revenues over (under) expenditures	-	-	100,004	100,004	100,004
Other financing sources (uses)					
Transfers from Water Sewer Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 100,004	\$ 100,004	\$ 100,004

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
CAPITAL PROJECT-WATER DISTRIBUTION IMPROVEMENTS SRP-D-134-0004 - WATER SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)
From Inception and For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
State Grant	970,000	-	-	-	(970,000)
Total revenues	970,000	-	-	-	(970,000)
Expenditures					
Construction	970,000	-	-	-	970,000
Engineering and architect fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	970,000	-	-	-	970,000
Revenues over (under) expenditures	-	-	-	-	-
Other financing sources (uses)				-	-
Transfers from Water Sewer Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2023-2024		\$ 999,601	\$ 993,553	\$ 6,048
2022-2023	\$ 9,425	-	7,375	2,050
2021-2022	859	-	641	218
2020-2021	228	-	60	168
2019-2020	306	-	-	306
2018-2019	299	-	-	299
2017-2018	25	-	-	25
2016-2017	24	-	-	24
2015-2016	40	-	5	35
2014-2015	122	-	-	122
2013-2014	561	-	561	-
2012-2013	-	-	-	-
	<u>\$ 11,889</u>	<u>\$ 999,601</u>	<u>\$ 1,002,195</u>	<u>9,295</u>

Less allowance for uncollectible accounts:

General Fund 2,064

Ad valorem taxes receivable-net 7,232

Reconcilement with revenues:

Ad valorem taxes - General Fund 1,006,145

Reconciling items

Interest collected (4,511)

Discounts -

Prior year abatements

Taxes written off 561

Total collections and credits \$ 1,002,195

TOWN OF MOUNT PLEASANT, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
TOWN-WIDE LEVY
For the Fiscal Year Ended June 30, 2024

	Town-wide			Tax Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 194,188,380	\$.0505	\$ 993,722	\$ 887,863	\$ 105,859
Penalties	-		1,374	1,374	-
Total	194,188,380		995,096	889,237	105,859
Discoveries:					
Current year taxes	819,802	.0505	2,756	2,756	-
Prior year taxes	-		1,377	1,377	-
Penalties	-		483	483	-
Total	819,802		4,616	4,616	-
Releases	(161,588)		(111)	(111)	-
Total property valuation	<u>\$ 194,846,594</u>				
Net levy			999,601	893,742	105,859
Uncollected taxes at June 30, 2024			(6,048)	(6,048)	-
Current year's taxes collected			<u>\$ 993,553</u>	<u>\$ 887,694</u>	<u>\$ 105,859</u>
Current levy collection percentage			<u>99.39%</u>	<u>99.32%</u>	<u>100.00%</u>

TONY BREWER, CPA, PC

Certified Public Accountant

Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Honorable Mayor and
Town Council
Town of Mount Pleasant, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mount Pleasant, North Carolina, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprises the Town of Mount Pleasant's basic financial statements, and have issued our report thereon dated October 31, 2024.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, we considered the Town of Mount Pleasant's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Mount Pleasant's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses/schedule of findings and questioned costs we identified certain deficiencies as item 2024-1 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Town of Mount Pleasant's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses /schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Tony Brewer, CPA

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

Lexington, North Carolina
October 31, 2024

TONY BREWER, CPA, PC

Certified Public Accountant

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of The Town of Mount Pleasant and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Mount Pleasant's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to The Town of Mount Pleasant's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Town of Mount Pleasant's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the

report on compliance about The Town of Mount Pleasant's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Town of Mount Pleasant's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of The Town of Mount Pleasant's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Town of Mount Pleasant's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Tony Brewer, CPA, PC



Lexington, North Carolina
October 31, 2024

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

I. Summary of Auditor's Results

Financial statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

* Material weakness(es) identified? X yes no

* Significant Deficiency(s) identified that
are not considered to be material weaknesses? yes X no

Noncompliance material to financial
statements noted yes X no

Federal and state awards

* Material weakness(es) identified? yes X no

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

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

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

Identification of major federal programs:

Program Name	FAL#
Coronavirus State and Local Fiscal Relief Funds	21.027
Water and Waste Disposal Systems for Rural Communities	10.760

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

Auditee qualified as low risk auditee? yes X no

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

II Financial Statement Findings

Material weakness

2024-01 Segregation of Duties

Criteria: The assignment of responsibilities should be segregated so that one person is not responsible for the authorization and recording of a transaction and the custody of the related asset. There needs to be a reconciliation or control activity to provide reasonable assurance that transactions are handled properly.

Condition: Key duties and functions are not segregated among Town personnel. This is especially a concern in the cash management, account receivable, purchasing, and payroll functions in all departments.

Effect: Transaction could be mishandled, due to errors or fraud that could lead to loss of assets or the reporting of misleading financial information.

Cause: There are a limited number of personnel for certain functions.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit.

Recommendation: The duties should be separated as much as possible, by possibly training and utilizing non-financial personnel and utilizing alternative controls. The governing Board should provide some of these controls

Views of responsible officials and planned corrective actions: The Town agrees with this finding and will adhere to the corrective action plan on page 85 in this audit report.

III Federal Award Findings and Questioned Costs

None reported



Town of Mount Pleasant, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2024

II Financial Statement Findings

Material weakness

2024-01 Segregation of Duties

Name of contact person: Terry Holloway, Town Manager

Corrective Action: Duties and functions will be reviewed to determine where segregation needs to occur. The duties will be separated as much as possible and alternative controls will be implemented to compensate for lack of segregation. However, the risk of not segregated certain duties are not worth the additional costs. Nonfinancial employees will be trained and provide some assistance.

Proposed Completion Date: The Board will implement the above procedure immediately.

III Federal Award Findings and Questioned Costs

None reported

The Town of Mount Pleasant
Schedule of Federal and State Financial Assistance
For the year ended June 30, 2024

GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING No.	STATE GRANTOR'S NUMBER	FEDERAL (DIRECT) PASS THROUGH EXPENDITURES	STATE (DIRECT) PASS THROUGH EXPENDITURES
<u>Federal grants</u>				
<u>US DEPARTMENT OF TREASURY</u>				
Coronavirus State and Local Recovery Fund Direct Funding	21.027		\$ 206,348	**
Pass-through from NC Department of Environmental Quality Division of Water Infrastructure	21.027		171,287	**
<u>UNITED STATES DEPARTMENT OF THE INTERIOR</u>				
Emergency Supplemental Historic Preservation Fund Passed-through the N.C. Department Natural and Cultural Resources	15.957		8,000	
<u>US DEPARTMENT OF AGRICULTURE</u>				
Water and Waste Disposal Systems for Rural Communities	10.760		1,559,921	**
<u>State Grants</u>				
<u>NORTH CAROLINA OFFICE OF STATE BUDGET AND MANAGEMENT</u>				
SCIF			\$	168,834
Direct Grant - Regional Economic Development Reserve		11313		35,551
<u>NC Department of Transportation</u>				
Powell Bill	N/A	38570		96,175
			<u>\$ 1,945,556</u>	<u>\$ 300,560</u>

** Major programs

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the Town of Mount Pleasant, North Carolina, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

The Town of Mount Pleasant has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 4: Outstanding Loans

The Town of Mount Pleasant had the following loan balances outstanding at June 30, 2024 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements.

Program Title	Federal Assistance Listing No.	Pass-through Grantor's Number	Amount Outstanding
Water and Waste Disposal Systems for Rural Communities	10.760	-	\$ 4,604,661

Note 5: Cash Held

SCIF Funds in Escrow	\$ 8,526
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