

**TOWN OF WEST JEFFERSON
NORTH CAROLINA
AUDIT REPORT
JUNE 30, 2024**

Priscilla L. Norris, CPA

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TOWN OF WEST JEFFERSON, NORTH CAROLINA

TOWN COUNCIL
AS OF JUNE 30, 2024

Tom Hartman, Mayor
Calvin Green
Russell W. Barr III
John K. Reeves
Stephen Shoemaker
Beth Shelton

ADMINISTRATIVE & FINANCIAL STAFF
Brantley Price, Town Manager & Tax Collector
Heather Holdaway, Finance Officer

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Priscilla L. Norris, CPA

404 West Main Street PO Box 1422 Jefferson, NC 28640

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

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

In our opinion, based upon our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of West Jefferson as of June 30, 2024, and the respective changes in financial position, and cash flows (where applicable) thereof and the respective budgetary comparison for the General Fund and major, annually budgeted special revenue funds, 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 West Jefferson's ABC Board, which represent 92 percent, 91 percent, and 97 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 other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of West Jefferson's ABC Board, is based solely on the report of the other auditors.

Basis of 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 West Jefferson 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 Town of West Jefferson's ABC Board and the West Jefferson TDA were not audited in accordance with *Governmental Auditing Standards*.

Responsibilities of Management for the Audit of 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 West Jefferson's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of 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 on auditor's report that includes our opinions. Reasonable assurance is high level of assurance but is not absolute assurance 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 error, as fraud may involve collusion, forgery, intentional omission, 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

- * exercise professional judgement and maintain 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 West Jefferson'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of West Jefferson's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability (Exhibit A-3) and Total Pension Liability as a Percentage of Covered

Payroll (Exhibit A-4), and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions (Exhibits A-1 and A-2, respectively) be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of West Jefferson's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors the combining and individual fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the Town of West Jefferson'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 West Jefferson'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 the Town of West Jefferson's internal control over financial reporting and compliance.



Priscilla L. Norris, CPA

Jefferson, NC

December 10, 2024

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

As management of the Town of West Jefferson, we offer readers of the Town of West Jefferson's financial statements this narrative overview and analysis of the financial activities of the Town of West Jefferson 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 West Jefferson exceeded its liabilities (and deferred inflows of resources) at the close of the fiscal year by \$18,114,380 (net position).

- * The government's total net position increased by \$1,770,155 due to an increase in governmental activities net position of \$1,860,185, despite a decrease in the business-type activities net position of \$90,030.

- * As of the close of the current fiscal year, the Town of West Jefferson's governmental funds reported combined ending fund balances of \$ 3,469,851, which includes a net increase of \$369,761, compared to an increase of \$339,249 in the prior year. Approximately 45.10 percent of this total amount, or \$1,564,969 is non-spendable or restricted.

- * At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,575,056 or 51.77 percent of total general fund expenditures for the fiscal year.

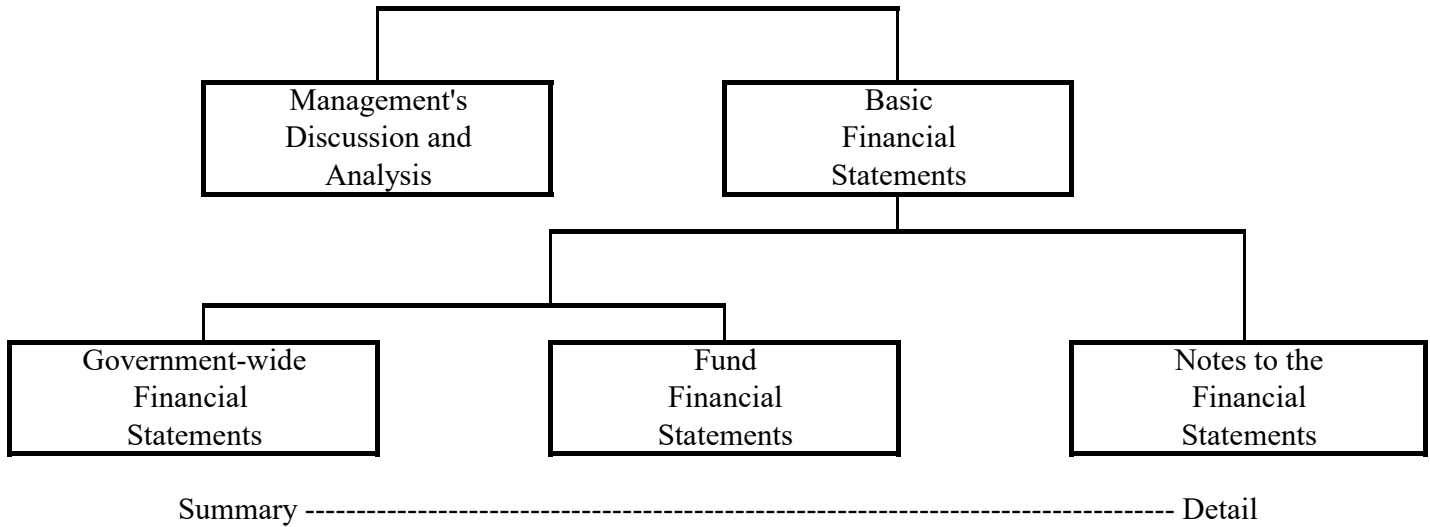
- * The Town of West Jefferson's total debt decreased by \$38,489 (6.12%) during the current fiscal year. The key factor in this decrease is principal payments of \$38,489.

Overview of the Financial Statements

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

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

**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 also can be found in this part of the statements.

Government-Wide Financial Statements

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

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

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, 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 and sewer services offered by the Town of West Jefferson.

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

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him 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 West Jefferson 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. 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.

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Proprietary Funds - The Town of West Jefferson has one proprietary fund, an enterprise fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of West Jefferson uses an enterprise fund to account for its water and sewer activity. This fund is the same as the functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found in Exhibit 9 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.

Government-Wide Financial Analysis

**Town of West Jefferson Net Position
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 3,974,949	\$ 3,255,777	\$ 1,516,019	\$ 1,333,100	\$ 5,490,968	\$ 4,588,877
Capital assets	5,132,717	3,541,436	9,344,615	9,546,723	14,477,332	13,088,159
Deferred outflows of resources	461,846	451,463	90,903	99,844	552,749	551,307
Total assets & deferred outflows of resources	\$ 9,569,512	\$ 7,248,676	\$ 10,951,537	\$ 10,979,667	\$ 20,521,049	\$ 18,228,343
Liabilities:						
Long-term liabilities	\$ 850,333	\$ 786,148	\$ 720,034	\$ 763,054	\$ 1,570,367	\$ 1,549,202
Other liabilities	536,019	152,834	195,225	94,317	731,244	247,151
Deferred inflows of resources	95,466	82,185	9,592	5,580	105,058	87,765
Total liabilities & deferred inflows of resources	\$ 1,481,818	\$ 1,021,167	\$ 924,851	\$ 862,951	\$ 2,406,669	\$ 1,884,118
Net position:						
Net investment in capital assets	\$ 5,132,660	\$ 3,541,162	\$ 8,761,615	\$ 8,929,723	\$ 13,894,275	\$ 12,470,885
Restricted	1,564,969	1,109,038	23,437	20,692	1,588,406	1,129,730
Unrestricted	1,390,065	1,577,309	1,241,634	1,166,301	2,631,699	2,743,610
Total net position	\$ 8,087,694	\$ 6,227,509	\$ 10,026,686	\$ 10,116,716	\$ 18,114,380	\$ 16,344,225

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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 West Jefferson exceeded liabilities (and deferred inflows) by \$18,114,380 as of June 30, 2024. The Town's net position increased by \$1,770,155 for the fiscal year ended June 30, 2024. However, the largest portion (76.70%) 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 West Jefferson uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Town of West Jefferson'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 West Jefferson's net position \$1,588,406 (8.77%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,631,699 is unrestricted.

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

- * West Jefferson's property tax collection rate increased from 97.62% to 98.31%, for property other than vehicles.
- * Total tax revenues were higher than the previous year by \$89,401.
- * The Town received a donation of 152 acres of land on Paddy Mountain from Blue Ridge Conservancy to be protected as a public park. The value of the land received was \$1,345,000. In addition, it has received State grants to build park amenities.

**Town of West Jefferson Changes in Net Position
Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 36,787	\$ 44,520	\$ 1,148,088	\$ 1,113,459	\$ 1,184,875	\$ 1,157,979
Operating grants & contributions	505,022	315,954	4,760		509,782	315,954
Capital grants & contributions	336,702	56,726	20,250		356,952	56,726
General revenues:						
Property taxes	1,565,246	1,475,845			1,565,246	1,475,845
Grants and contributions not restricted to specific programs	1,147,786	1,277,682			1,147,786	1,277,682
Other	48,550	21,897	11,209	6,979	59,759	28,876
Extraordinary item	1,345,000	(154,543)		154,543	1,345,000	-
Total revenues	\$ 4,985,093	\$ 3,038,081	\$ 1,184,307	\$ 1,274,981	\$ 6,169,400	\$ 4,313,062

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Expenses:

General government	\$ 653,389	\$ 691,216	\$ -	\$ -	\$ 653,389	\$ 691,216
Public safety	1,327,717	1,075,482			1,327,717	1,075,482
Highways/streets	777,058	670,499			777,058	670,499
Economic development	65,257	90,636			65,257	90,636
Environmental protection	120,714	115,067			120,714	115,067
Cultural and recreation	180,236	130,583			180,236	130,583
Interest on long-term debt	537	1,707			537	1,707
Water and sewer			1,274,337	1,205,355	1,274,337	1,205,355
	<hr/>					
Total expenses	\$ 3,124,908	\$ 2,775,190	\$ 1,274,337	\$ 1,205,355	\$ 4,399,245	\$ 3,980,545
	<hr/>					
Increase in net position before transfers	1,860,185	262,891	(90,030)	69,626	1,770,155	332,517
Net position, July 1	6,227,509	5,964,618	10,116,716	10,047,090	16,344,225	16,011,708
Net position, June 30	<u>\$ 8,087,694</u>	<u>\$ 6,227,509</u>	<u>\$ 10,026,686</u>	<u>\$ 10,116,716</u>	<u>\$ 18,114,380</u>	<u>\$ 16,344,225</u>

Governmental activities: Governmental activities increased the Town's net position by \$1,860,185. The key element of this increase is the increase in tax revenue and the value of donated land as discussed earlier.

Business-type activities: Business-type activities decreased the Town of West Jefferson's net position by \$90,030.

Financial Analysis of the Town's Funds

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

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

The General Fund is the chief operating fund of the Town of West Jefferson. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,575,056 while total fund balance reached \$3,090,405. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.77 percent of total General Fund expenditures, while total fund balance represents 101.57 percent of that same amount.

At June 30, 2024, the governmental funds of the Town of West Jefferson reported a combined fund balance of \$3,469,851 an 11.93 percent increase from last year. This is due to an increase in General Fund operations of \$155,065, plus \$214,696 from non-major funds, mainly the Paddy Mountain Capital Project Fund (grant funds received but not yet spent).

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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

Proprietary Fund: The Town of West Jefferson's proprietary fund provides 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 \$1,241,634. The total change in net position was a decrease of \$90,030. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of West Jefferson's business-type activities.

Capital Asset and Debt Administration

Capital assets: The Town of West Jefferson's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$14,477,332 (net of accumulated depreciation). These assets include buildings, roads, machinery and equipment, park facilities, and vehicles. Major capital asset transactions during the year include the following transactions:

- * Town Hall Roof Replacement
- * Vehicle purchased for Police
- * Vehicle and equipment purchased for Street Department
- * Vehicle and equipment purchased for the Fire Department
- * Various paving projects
- * Construction of amenities at the Paddy Mountain public park
- * Began a Stormwater Retention project
- * Various Water and Sewer equipment and upgrades

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

**Town of West Jefferson Capital Assets
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,754,464	\$ 409,464	\$ 140,780	\$ 140,780	\$ 1,895,244	\$ 550,244
Buildings & system	562,318	523,304	8,869,382	9,061,702	9,431,700	9,585,006
Improvements other than buildings	1,744,298	1,847,253			1,744,298	1,847,253
Machinery and equipment	417,420	395,840	314,202	335,185	731,622	731,025
Vehicles and motorized equip	572,296	365,575		9,056	572,296	374,631
Construction in progress	81,920		20,250		102,170	-
Total	\$ 5,132,716	\$ 3,541,436	\$ 9,344,614	\$ 9,546,723	\$ 14,477,330	\$ 13,088,159

Additional information on the Town's capital assets can be found in Note III.A.3 and 6 of the Basic Financial Statements.

Long-term Debt: As of June 30, 2024, the Town of West Jefferson had total debt outstanding of \$589,789, of this amount, \$6,789 is debt backed by the full faith and credit of the Town. The remainder of the Town's debt represents bonds secured solely by specific revenue sources (revenue bonds).

**Town of West Jefferson's Outstanding Debt
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Direct placement installment purch	\$ -	\$ -	\$ 583,000	\$ 617,000	\$ 583,000	\$ 617,000
Revenue bonds					-	-
Capital leases	6,789	11,256			6,789	11,256
Total	\$ 6,789	\$ 11,256	\$ 583,000	\$ 617,000	\$ 589,789	\$ 628,256

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The Town of West Jefferson's debt decreased by \$38,467 (6.12%) during the past fiscal year, due to principal payments.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of West Jefferson is approximately \$36 million.

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

Economic Factors for FY 2023-2024 Budget and Rates

Following are some of the economic factors and highlights that had an impact on Fiscal Year 2023-2024 budget and rates.

General Fund

- * Property Tax Collection remained consistent with the prior year
- * Local Option Sales Tax revenue increased to \$662,525 from \$656,611 in the prior year (a 0.9% increase)
- * Utility Franchise Tax was up \$12,102 a 5.8% increase compared to FY 22-23.
- * ABC General Distribution continues to increase as the ABC Store sales continue to increase
- * Miscellaneous income:
 - . Carolina West Tower lease - \$3,600
 - . Trail Days Music money from the State - \$2,452
 - . County paid half of tree removal at Library - \$1,450
 - . Personal donation for bench in memory of someone - \$1,223
- * **Extraordinary Items:**
 - . GE Incentive -\$65,257 - reduced due to investments lower than estimated
 - . New Police Vehicle - \$62,263
 - . Town Hall Roof Replacement - \$50,460
 - . Additional paving - \$117,573 plus Powell Bill expenditures \$49,438, for a total of \$167,011
 - . Purchase of a Ford F-450 with Dump Bed - \$84,083
 - . Jack Hammer for Track Hoe - \$10,515
 - . Ventrac Mower/snow removal - split with park - \$35,886/2 = \$17,943 each
 - . Replace street lights with LED lights - BR Energy \$38,579

Park

- * Ventrac Mower/snow removal - split with park \$35,886/2 = \$17,943 each

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Fire Department

Expenses

- * Installation of Dry Hydrant at Old Barn Winery - \$28,284
- * New Truck - \$250,000

Water/Sewer

- * Water & sewer revenues 2.4% increase over prior year
- * **Extraordinary Items:**
 - . Upgrade SCADA - \$22,505
 - . Sewer video and repair (I&I issues) - \$34,618
 - . Wastewater plant shed enclosure - \$36,000
 - . Installation of new airlines at WWTP - \$36,717

Budget Highlights for the Fiscal Year End June 30, 2025

General Fund

Revenues

The major source of General Fund revenue is the property tax, accounting for approximately 49% of all revenues in the General Fund. The property tax rate will remain at 35 cents per \$100 of valuation. Of the 35 cents, 32.5 cents will go to the General Fund and 2.5 cents to the Park.

- . Property Tax Revenue \$1,345,000
- . Fund Balance appropriation \$229,500
- . Local Option Sales Tax for FY 24-25 is projected to be flat over over FY23-24 for a total of \$660,000
- . Utility Franchise Tax projected to be flat - \$200,000
- . ABC Contribution - \$220,000

Expenditures

Group health insurance will increase by 8.9% for FY 24-25, with employee coverage to remain the same, and the Town continuing to pay 100% of the employees' cost.

A 5% Cost of Living Adjustment for all employees, with the exception of the Police Department, which will get a 6.5% COLA.

Republic Services 5.3% increase (due to CPI water/sewer/trash index increase) for a total of \$121,000.

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Significant budget items in the General Fund worth noting include:

- . \$20,000 - Attorney
- . \$27,000 - Audit
- . \$4,000 - Facade Grants
- . \$3,000 - ALP - Ordinance update
- . \$8,400- Downtown Wi-Fi
- . \$7,000 - Christmas Decorations
- . \$15,000 - Arts Council Roof Replacement
- . \$100,000 - Town Hall Outside Renovation
- . \$50,000 - Paddy Mountain (carry over in case needed to complete project - county doing the same)
- . \$38,000 Transfer to Park - Playground equipment
- . \$44,000 - Fire Department Contribution
- . \$87,000 - Purchase of new police car with equipment
- . \$10,000 - Salt for roads during winter months
- . \$16,000 - Downtown Flowers
- . \$16,000 - Maintenance 163/221 intersection (mow biweekly, mulch beds, spray beds)
- . \$8,000 - Add color to bumpouts with flowering shrubs, perennials, and bulbs, with maintenance
- . \$100,000 - Additional paving funds
- . \$25,000 - Replace tile at Honey Hole
- . \$10,000 - Misc. storm drain replacement
- . \$30,000 - Sidewalk replacement
- . \$68,000 - Purchase of One Ton Pickup for Maintenance with snow blade
- . \$10,000 - Ventrac-accessories-broom/canopy

Parks

Revenues

Property Taxes comprise most of the Park Revenues, which is 2.5 cents of the 35 cents per one hundred dollars in valuation.

- . Property Tax Revenue - \$105,000
- . Transfer from General Fund - \$36,000

Expenditures

Significant budget items in the Park worth noting include:

- . \$12,000 - Mower
- . \$32,000 - Phase III playground equipment

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Powell Bill

Revenues

Powell Bill revenues are disbursed by the State to the Town in two distributions, one in October and one in January of each year, per a formula which is based upon population and miles of Town-maintained roads. Total Revenues \$48,000.

Expenditures

We intend to prioritize our Town street resurfacing by those in most need of resurfacing.

Fire Department

Revenues

- . \$390,000 - Fire Tax Revenue
- . \$40,000 - Possible Grant for Equipment

Expenditures

- . \$80,000 - Grant for Supplies (50% match)
- . \$10,000 - Repair Building

Capital Projects - General Fund

Revenues

- . \$250,000 - Golden Leaf Grant
- . \$210,000 - Golden Leaf Grant
- . \$500,000 - PARTF - Paddy Mtn
- . \$250,000 - State Funding - Paddy Mtn (in Fund Balance)

Expenditures

- . \$250,000 - Stormwater Park/Maintenance
- . \$210,000 - Stormwater Backstreet/Long Street
- . \$500,000 - Paddy Mtn Park
- . \$250,000 - Paddy Mtn Park

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Capital Project - Water & Sewer

Revenues

- . \$55,000 - Interconnect grant
- . \$1,500,000 - State Funding
- . \$726,150 State Funding
- . \$200,000 - AIA Grant Water
- . \$200,000 - AIA Grant Sewer
- . \$1,173,300 - Lead Service Line Inventory/replacement (loan with no interest)

Expenditures

- . \$55,000 - Feasibility Study to Connect WJ and Jefferson Water Systems
- . \$1,500,000 - WWTP upgrade
- . \$726,150 - Greenfield pump station upgrade
- . \$200,000 - AIA Grant Water Expenditures
- . \$200,000 - AIA Grant Sewer Expenditures
- . \$1,173,300 - Lead Service Line Inventory/replacement

Water and Sewer Fund

Revenues

- . Revenues budgeted flat both water and sewer.
- . \$46,000 - Fund Balance Water
- . \$100,000 - Fund Balance Sewer
- . \$125,000 - Transfer from Water to Sewer

Expenditures

Significant budget items in the Water/Sewer worth noting include:

Water:

- . Pay extra on USDA Loans \$22,000 - if continue annually should reduce from 40 years to 20
- . \$125,000 - Transfer to Sewer
- . \$30,000 - Parts Filter Plant
- . \$40,000 Miscellaneous pump replacement - water
- . \$10,000 - SCADA water filter plan

**TOWN OF WEST JEFFERSON
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Sewer:

- . \$35,000 - Landfill Fees - Polymer new dewatering system
- . \$75,000 - I&I Issues
- . \$15,000 - mower
- . \$50,000 - pumps/blowers
- . \$80,000 Sewer jetter

Requests for information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Town of West Jefferson, P.O. Box 490, West Jefferson, NC 28694. You can also call (336)246-3551 or visit our website at www.townofwj.com for more information.

**Overview of Component Units
(Discretely Presented)
June 30, 2024**

<u>Name</u>	<u>Date Established</u>	<u>Activity Performed</u>
West Jefferson Tourism Development Authority	July 7, 2005	Promotion of Travel and Tourism
Town of West Jefferson Board of Alcoholic Beverage Control	March 6, 2007	ABC Board

TOWN OF WEST JEFFERSON
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government				
	Governmental	Business-type	Total	Component Units	
	Activities	Activities		WJ ABC	Board
ASSETS					
Current Assets:					
Cash and Cash Equivalent	\$ 2,352,433	\$ 1,314,125	\$ 3,666,558	\$ 265,493	\$ 61,834
Cash and Cash Equivalents - Restricted	1,196,545	77,307	1,273,852	200,623	
Inventories			-	400,284	
Taxes Receivables (net)	40,416		40,416		
Accrued Interest Receivable on Taxes	4,985		4,985		
Account Receivable (net)	11,596	99,577	111,173	4,437	
Lease Receivable	3,512		3,512		
Due from Other Governments	358,732	25,010	383,742		56,595
Prepaid Expenses				2,266	
Total Current Assets	<u>3,968,219</u>	<u>1,516,019</u>	<u>5,484,238</u>	<u>873,103</u>	<u>118,429</u>
Non-Current Assets:					
Lease Receivable, Non Current	-		-		
Right to Use Leased Assets, Net of Amort.	6,730		6,730		
Non-Current Assets Before Capital Assets	<u>6,730</u>	<u>-</u>	<u>6,730</u>	<u>-</u>	<u>-</u>
Capital Assets:					
Land, Non-Depreciable Improvements, and Construction in Progress	1,836,384	161,030	1,997,414	95,614	
Other Capital Assets, Net of Depreciation	3,296,333	9,183,585	12,479,918	452,656	
Total Capital Assets	<u>5,132,717</u>	<u>9,344,615</u>	<u>14,477,332</u>	<u>548,270</u>	<u>-</u>
Total Non-Current Assets	<u>5,139,447</u>	<u>9,344,615</u>	<u>14,484,062</u>	<u>548,270</u>	<u>-</u>
Total Assets	<u>\$ 9,107,666</u>	<u>\$ 10,860,634</u>	<u>\$ 19,968,300</u>	<u>\$ 1,421,373</u>	<u>\$ 118,429</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows for Pensions	\$ 461,846	\$ 90,903	\$ 552,749	\$ 100,405	\$ -

TOWN OF WEST JEFFERSON
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government				
	Governmental	Business-type	Total	Component Units	
	Activities	Activities		WJ ABC Board	WJTDA
LIABILITIES					
Current Liabilities:					
Accounts Payable & Accrued Liabilities	384,759	106,075	490,834	212,899	3,685
Due To Other Governments	56,595		56,595		
Accrued Interest Payable	-	938	938		
Compensated Absences	89,912	21,342	111,254	18,684	
Customer Deposits	19	53,870	53,889		
Current Portion of Long-Term Liabilities	4,734	13,000	17,734		
Total Current Liabilities	<u>536,019</u>	<u>195,225</u>	<u>731,244</u>	<u>231,583</u>	<u>3,685</u>
Long-term Liabilities:					
Net Pension Liability (LGERS)	692,621	150,034	842,655	124,382	
Net Pension Liability (LEO)	155,657		155,657		
Due In More Than One Year	2,055	570,000	572,055		
Total Liabilities	<u>\$ 1,386,352</u>	<u>\$ 915,259</u>	<u>\$ 2,301,611</u>	<u>\$ 355,965</u>	<u>\$ 3,685</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows for Pensions	\$ 83,872	\$ 9,592	\$ 93,464	\$ 1,377	
Lease Receivable	5,417		5,417		
Unearned Revenues	6,177		6,177		
Total Deferred Inflows of Resources	<u>\$ 95,466</u>	<u>\$ 9,592</u>	<u>\$ 105,058</u>	<u>\$ 1,377</u>	<u>\$ -</u>
NET POSITION					
Net Investment in Capital Assets	5,132,660	8,761,615	13,894,275	548,270	
Restricted for:					
Stabilization by State Statute	368,424		368,424		56,595
Public Safety	945,015		945,015		
Transportation	51,950		51,950		
Working Capital				100,623	
Culture & Recreation	199,580		199,580		
Capital Improvements				100,000	
USDA Reserves		23,437	23,437		
Unrestricted	1,390,065	1,241,634	2,631,699	415,543	58,149
Total Net Position	<u>\$ 8,087,694</u>	<u>\$ 10,026,686</u>	<u>\$ 18,114,380</u>	<u>\$ 1,164,436</u>	<u>\$ 114,744</u>

TOWN OF WEST JEFFERSON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT			COMPONENT UNITS	
					Governmental Activities	Business-Type Activities	Total	WJ ABC BOARD	WJTDA
Primary Government:									
Governmental Activities:									
General Government	\$ 653,389	\$ 2,882	\$ -	\$ -	(650,507)	\$ -	\$ (650,507)	\$ -	\$ -
Public Safety	1,327,717	621	448,208	29,992	(848,896)		(848,896)		
Transportation	777,058		54,381	31,500	(691,177)		(691,177)		
Economic Development	65,257	11,010	-		(54,247)		(54,247)		
Environmental Protection	120,714	19,274	1,086		(100,354)		(100,354)		
Cultural and Recreation	180,236	3,000	1,347	275,210	99,321		99,321		
Interest on Long-Term Debt	537				(537)		(537)		
Total Governmental Activities	<u>3,124,908</u>	<u>36,787</u>	<u>505,022</u>	<u>336,702</u>	<u>(2,246,397)</u>		<u>(2,246,397)</u>	-	-
Business-Type Activities:									
Water and Sewer	1,274,337	1,148,088	4,760	20,250		(101,239)	(101,239)		
Total Business-Type Activities	<u>1,274,337</u>	<u>1,148,088</u>	<u>4,760</u>	<u>20,250</u>		<u>(101,239)</u>	<u>(101,239)</u>		
Total Primary Government	<u>\$ 4,399,245</u>	<u>\$ 1,184,875</u>	<u>\$ 509,782</u>	<u>\$ 356,952</u>	<u>\$ (2,246,397)</u>	<u>\$ (101,239)</u>	<u>\$ (2,347,636)</u>		
Component Units:									
ABC Board	<u>\$ 3,473,155</u>	<u>\$ 3,401,300</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (71,855)</u>	
Tourism Development Authority	<u>\$ 124,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					<u>\$ (124,592)</u>
General Revenues:									
Property taxes, levied for general purpose					1,565,246		1,565,246		
Other taxes and licenses					-		-		112,178
Grants and contributions not restricted to specific programs					1,147,786		1,147,786		
Unrestricted Investment earnings					34,827	11,209	46,036	5,525	643
Miscellaneous					13,723		13,723		645
Extraordinary Item: Paddy Mtn Land Contribution					1,345,000		1,345,000		
Total general revenues and extraordinary item					<u>4,106,582</u>	<u>11,209</u>	<u>4,117,791</u>	<u>5,525</u>	<u>113,466</u>
Change in Net Position					1,860,185	(90,030)	1,770,155	(66,330)	(11,126)
Net Position- Beginning					6,227,509	10,116,716	16,344,225	1,230,766	125,870
Net Position- Ending					<u>\$ 8,087,694</u>	<u>\$ 10,026,686</u>	<u>\$ 18,114,380</u>	<u>\$ 1,164,436</u>	<u>\$ 114,744</u>

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

EXHIBIT 3
PAGE 1 OF 2

	Major Funds General Fund	Total Non - Major Funds	Total Governmental Funds
ASSETS			
Cash & Cash Equivalents	\$ 2,195,287	\$ 157,146	\$ 2,352,433
Cash & Cash Equivalents- Restricted	996,965	199,580	1,196,545
Receivables, Net:			
Taxes	37,416	3,000	40,416
Accounts	11,596		11,596
Lease	3,512		3,512
Due from Other Governments	301,692	57,040	358,732
Due from Other Funds	31,500		31,500
Total Assets	\$ 3,577,968	\$ 416,766	\$ 3,994,734
LIABILITIES			
Accounts Payable & Accrued Liabilities	\$ 381,939	\$ 2,820	\$ 384,759
Customer Deposit	19		19
Due to Other Governments	56,595		56,595
Due from Other Funds		31,500	31,500
Total Liabilities	\$ 438,553	\$ 34,320	\$ 472,873
DEFERRED INFLOWS OF RESOURCES			
Taxes Receivable	\$ 37,416	\$ 3,000	\$ 40,416
Prepaid Taxes	5,802		5,802
Prepaid Beer & Wine License	375		375
Lease Receivable	5,417		5,417
Total Deferred Inflows of Resources	\$ 49,010	\$ 3,000	\$ 52,010
FUND BALANCES			
Restricted:			
Stabilization by State Statute	\$ 342,884	\$ 25,540	\$ 368,424
Culture and Recreation		199,580	199,580
Public Safety - Police	6,082		6,082
Streets - Powell Bill	51,950		51,950
Public Safety Fire Department	938,933		938,933
Committed:			
For Park Maintenance		117,463	117,463
Assigned:			
Appropriated Fund Balance	175,500	-	175,500
Cemetery Maintenance		36,863	36,863
Capital Projects			-
Unassigned:	1,575,056		1,575,056
Total Fund Balance	\$ 3,090,405	\$ 379,446	\$ 3,469,851
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 3,577,968	\$ 416,766	

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

EXHIBIT 3
PAGE 2 OF 2

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total governmental fund balance	\$	3,469,851
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Gross Capital assets at historical cost	\$ 10,293,524	
Accumulated depreciation	<u>(5,160,807)</u>	5,132,717
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Right to use assets at historical cost	\$ 19,128	
Accumulated Amortization	<u>(12,398)</u>	6,730
Deferred outflows of resources related to pensions are not reported in the funds		461,846
Other long-term assets (accrued interest receivable from taxes and leases) are not available to pay for current-period expenditures and therefore are not reported in the funds.		4,985
Earned revenues considered deferred inflows of resources in fund statements (taxes receivable).		40,416
Some liabilities, including compensated absences and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.		(89,912)
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Long-term debt		(6,789)
Net pension liabilities		(848,278)
Deferred inflows of resources related to pensions are not reported in the funds		<u>(83,872)</u>
Net position of governmental activities	\$	<u><u>8,087,694</u></u>

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT 4

	Major Funds	Total	Total
	General	Non - Major	Governmental
	Fund	Funds	Funds
Revenues			
Ad Valorem Taxes	\$ 1,436,741	\$ 135,476	\$ 1,572,217
Unrestricted Intergovernmental	1,147,786		1,147,786
Restricted Intergovernmental	524,417	306,710	831,127
Permits & Fees	30,905		30,905
Investment Earnings	34,827	1,347	36,174
Miscellaneous	22,910	5,945	28,855
Total Revenues	\$ 3,197,586	\$ 449,478	\$ 3,647,064
Expenditures			
General Governmental	\$ 665,130	\$ -	\$ 665,130
Public Safety	1,439,452		1,439,452
Transportation	745,764	31,500	777,264
Economic Development	65,257		65,257
Environmental Protection	120,714		120,714
Cultural & Recreational	1,200	203,282	204,482
Debt Services:			
Principal	4,489		4,489
Interest and Other Charges	515		515
Capital Outlay			
Total Expenditures	\$ 3,042,521	\$ 234,782	\$ 3,277,303
Excess (Deficiency) of Revenues under Expenditures	\$ 155,065	\$ 214,696	\$ 369,761
Other Financing Sources (Uses)			
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ 155,065	\$ 214,696	\$ 369,761
Fund Balances:			
Beginning of Year, July 1	\$ 2,935,340	\$ 164,750	\$ 3,100,090
End of Year, June 30	\$ 3,090,405	\$ 379,446	\$ 3,469,851

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT 4

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

Net changes in fund balances - total governmental funds \$ 369,761

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures	\$ 2,025,380	
Depreciation expense	<u>(434,099)</u>	1,591,281
Right to use leased asset capital outlay expenditures which were capitalized	\$ -	
Amortization expense for leased assets	<u>(4,251)</u>	(4,251)
The cost of capital assets disposed of during the year are not recognized in the governmental funds		-

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 129,431

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

Increase (Decrease) in unavailable revenue for tax revenues		(7,147)
Increase (Decrease) in accrued interest receivable on taxes		177
Increase (Decrease) in accrued interest receivable on leases		(87)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of long term debt (loans and leases)	\$ -	
Repayment of long-term debt	4,489	
(Increase) Decrease in accrued interest payable	<u>-</u>	4,489

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

(Increase) Decrease in compensated absences payable		(17,540)
Pension expense		(205,929)

Total change in net position of governmental activities \$ 1,860,185

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXHIBIT 5

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues:				
Ad valorem taxes	\$ 1,358,000	\$ 1,397,000	\$ 1,436,741	\$ 39,741
Unrestricted intergovernmental	1,085,000	1,145,000	1,147,786	2,786
Restricted intergovernmental	541,000	576,000	524,417	(51,583)
Permits and fees	29,000	32,000	30,905	(1,095)
Investment earnings	13,300	13,300	34,827	21,527
Miscellaneous	-	10,000	22,910	12,910
Total Revenues	<u>\$ 3,026,300</u>	<u>\$ 3,173,300</u>	<u>\$ 3,197,586</u>	<u>\$ 24,286</u>
Expenditures:				
Current:				
General Government	802,996	802,996	665,130	137,866
Public Safety	1,538,300	1,574,300	1,439,452	134,848
Transportation	662,800	823,800	745,764	78,036
Economic Development	75,000	75,000	65,257	9,743
Environmental Protection	121,000	121,000	120,714	286
Cultural and Recreational	1,200	1,200	1,200	-
Debt service	5,004	5,004	5,004	-
Contingency	20,000	-	-	-
Total Expenditures	<u>3,226,300</u>	<u>3,403,300</u>	<u>3,042,521</u>	<u>360,779</u>
Revenues over (under) expenditures	<u>\$ (200,000)</u>	<u>\$ (230,000)</u>	<u>\$ 155,065</u>	<u>\$ 385,065</u>
Other financing sources (uses):				
Appropriated fund balance	200,000	230,000		(230,000)
Total other financing sources (uses)	<u>200,000</u>	<u>230,000</u>	<u>-</u>	<u>(230,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,065</u>	<u>\$ 155,065</u>
Fund balances:				
Beginning of year July 1			2,935,340	
End of year June 30			<u>\$ 3,090,405</u>	

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

EXHIBIT 6

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 1,314,125
Cash and Cash Equivalents - Restricted	77,307
Accounts Receivable - Net	99,577
Due from Other Governments	25,010
Total Current Assets	1,516,019

Noncurrent Assets

Capital Assets - Net	9,344,615
Total Noncurrent Assets	9,344,615

Total Assets	\$ 10,860,634
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DEFERRED OUTFLOWS OF RESOURCES

Pension Deferrals	\$ 90,903
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LIABILITIES

Current Liabilities

Accounts Payable/Accrued Liabilities	\$ 106,075
Note Interest Accrued	938
Compensated Absences	21,342
Revenue Bond Payable - Current	13,000
Liabilities Payable from Restricted Assets:	
Customer Deposits	53,870
Total Current Liabilities	195,225

Noncurrent Liabilities

Net Pension Liabilities	150,034
Revenue Bond Payable- Noncurrent	570,000
Total Noncurrent Liabilities	720,034

Total Liabilities	\$ 915,259
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DEFERRED INFLOWS OF RESOURCES

Pension Deferrals	\$ 9,592
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NET POSITION

Net Investment in Capital Assets	\$ 8,761,615
Restricted for USDA Reserves	23,437
Unrestricted	1,241,634
Total Net Position	\$ 10,026,686

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>ENTERPRISE</u>
Operating Revenues:	
Charges for Services - Water	\$ 576,051
Charges for Services - Sewer	525,908
Water & Sewer Taps	39,300
Other Operating Revenue	6,829
Total Operating Revenue	\$ 1,148,088
Operating Expenses:	
Water Department	439,429
Sewer Department	461,815
Depreciation	361,270
Total Operating Expenses	\$ 1,262,514
Operating Income (Loss)	\$ (114,426)
Nonoperating Revenues (Expenses)	
Interest Earned on Investments	11,209
Interest on Long-Term Debt	(11,823)
Income Before Contributions and Transfers	\$ (115,040)
Contributions and Transfers	
State Budget Water Feasibility Grant	4,760
Golden Leaf WWTP Capital Grant	20,250
Change in Net Position	\$ (90,030)
Total Net Position, beginning	10,116,716
Total Net Position, ended	\$ 10,026,686

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>ENTERPRISE</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 1,121,285
Cash Paid for Goods and Services	(542,502)
Cash Paid to /for Employees	(302,292)
Customer Deposits Received	15,879
Customer Deposits Returned	(11,129)
Net Cash Provided by Operating Activities	\$ 281,241
Cash Flows from Noncapital Financing Activities:	
Transfer From ARPA Fund	\$ -
Net Cash Received from Noncapital Financing Activities	\$ -
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Sale of Assets	\$ -
Acquisition of Capital Assets	(115,470)
Principal Paid on Bonds and Equipment Contracts	(34,000)
Interest Paid on Bonds and Equipment Contracts	(11,874)
Net Cash Used by Capital and Related Financing Activities	\$ (161,344)
Cash Flows from Investing Activities:	
Interest on Investments	\$ 11,209
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 131,106
Cash and Cash Equivalents at Beginning of Year	1,260,326
Cash and Cash Equivalents at End of Year	\$ 1,391,432
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (114,426)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	\$ 361,270
Pension Expense	32,587
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(26,803)
Increase (Decrease) in Accounts Payable	51,460
Increase (Decrease) in Customer Deposits	4,750
Increase (Decrease) in Compensated Absences	57
Current Year Contribution to Pension	(27,654)
Total Adjustments	\$ 395,667
Net Cash Provided by Operating Activities	\$ 281,241

Noncash investing, capital, and financing activities: none.

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

I. Summary of Significant Accounting Policies

The accounting policies of the Town of West Jefferson 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 West Jefferson is a municipal corporation which is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component units, legally separate entities for which the Town is financially accountable. The West Jefferson TDA and the West Jefferson ABC Board are presented as if they are separate proprietary funds of the Town (discrete presentation). The discretely presented component units of the Town issue separately audited financial statements, copies of which may be obtained from the Town's finance office at PO Box 490, West Jefferson, NC 28694.

<u>Component Unit</u>	<u>Brief Description of Activities and Relationship to the Town</u>
West Jefferson Tourism Development Authority	The West Jefferson TDA was organized to promote travel and tourism in the Town of West Jefferson. The Town's Board of Aldermen appoints the three member board of the Authority to serve two-year terms. The Authority collects a 3% room occupancy tax in order to promote travel, tourism, and conventions, sponsor tourist-related events and activities, and finance tourist-related capital projects in the Town.
Town of West Jefferson Board of Alcoholic Beverage Control	The ABC Board operates one liquor store, and through its law enforcement division, investigates violations of North Carolina ABC laws. The members of the ABC Board's governing body are appointed by the Town. In addition, the ABC Board is required to distribute its surplus to the Town's General Fund.

B. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods 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 emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non - major funds.

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

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. 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.

The Town reports the following non-major governmental funds:

Park Special Revenue Fund - This fund is used to account for the care and maintenance of the Town Park which is primarily funded by a percentage of ad valorem taxes.

Cemetery Special Revenue Fund - This fund is used to account for cemetery plot sales, used for the care of the municipal cemetery.

Capital Project Fund - Park - This fund is used to account for governmental-type capital projects for the West Jefferson Municipal Park.

Capital Project Fund - Paddy Mountain - This fund is used to account for the construction of amenities for a park on Paddy Mountain using State grants.

Capital Projects Fund - Stormwater Retention - This fund is used to account for a stormwater retention project using State grants.

The Town reports the following major enterprise fund:

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

ARPA - Water Feasibility Study Fund - This fund is used to account for an ARPA funded water feasibility study, and is consolidated into the Water and Sewer Enterprise Financial Statements.

ARPA - WWTP Improvement Fund - This fund is used to account for ARPA funded West Water Treatment Plant Improvements.

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 and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange 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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXHIBIT 9

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. 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 service, administrative expenses, and depreciation/amortization on capital assets. All revenues and expense not meeting this definition are reported as nonoperating revenues and expenses.

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

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

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Park (Special Revenue) Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Capital Projects Funds and the Enterprise Fund Capital Projects Funds, which are consolidated with the operating funds for reporting purposes. 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. The Budget Officer may transfer amounts up to \$10,000 between departments within the same fund, but must make an official report to the governing board. All amendments must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. 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 its component units are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and its components units may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and its component units may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town and its component units 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).

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Town's component units consider all high liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. The ABC board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are 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. Fire department funds are classified as restricted cash because the funds are mainly from fire tax revenues collected and remitted by the County of Ashe for fire department use only. Police funds are classified as restricted cash because they can only be expended for public safety purposes. USDA reserve funds are restricted per the USDA Water and Sewer Bond agreement. Paddy Mountain State Grant funds are restricted specifically for that project.

TOWN OF WEST JEFFERSON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXHIBIT 9

Town of West Jefferson Restricted Cash

Governmental Activities		
General Fund		
Paddy Mountain State Grant	\$	199,580
Police		6,082
Streets		51,950
Fire		938,933
Total Governmental Activities	\$	<u>1,196,545</u>
Business-type Activities		
Water and Sewer Fund		
Customer deposits	\$	53,870
USDA reserves		23,437
Total Business-type Activities	\$	<u>77,307</u>
Total Restricted Cash	\$	<u>1,273,852</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on 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, 2023. As allowed by State law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Lease Receivable

The Town's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

7. Inventories

The inventories of the Town's General Fund consist of expendable supplies that are recorded as expenditures when purchased. Inventories in the enterprise fund are considered immaterial and, therefore, are recorded as expenditures when purchased. Inventories of the ABC Board are valued at the lower of cost (FIFO) or market.

8. 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 \$5,000 for all capital asset purchases. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 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.

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

Asset Class	Estimated Useful Lives
Infrastructure	20
Buildings	50
Improvements	20
Vehicles	5
Furniture & equipment	10
Computer equipment	3
Computer software	5

9. Right to Use Assets

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

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion - contributions made to the pension plan in the 2024 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized until then. The Town has five items that meet the criterion for this category - prepaid taxes, property taxes receivable (unavailable revenues reported only on the balance sheet of the governmental funds), leases receivable, prepaid business registrations and deferrals of pension expense.

11. Long-Term Obligations

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

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances

are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Compensated Absences

The vacation policy of the Town is to assign vacation days at the beginning of the calendar year, based on length of service. No more than 30 days (240 hours) of accumulated vacation leave may be carried forward to the next calendar year. Any excess will be converted to sick leave. The Town's liability for accumulated earned vacation as of the end of the fiscal year is recorded in the government-wide and proprietary fund financial statements on a FIFO basis.

The Town's sick leave policy provides for an unlimited accumulation of 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 actually taken, no accrual for sick leave has been made.

13. 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 represent 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 balance 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. Nonspendable fund balance was zero at year end.

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 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 prepaid as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

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

Restricted for Public Safety - Police - portion of fund balance that is restricted by revenue source for certain law enforcement expenditures.

Restricted for Public Safety - Fire Department - portion of fund balance that is restricted by revenue source for fire department expenditures.

Restricted for Culture and Recreation - portion of fund balance that is restricted by revenue source for Paddy Mountain Capital Outlay.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

Committed for Park Maintenance - portion of fund balance that is committed for the care and maintenance of the municipal park. A portion of ad valorem taxes is budgeted each year for this purpose.

Assigned fund balance - portion of fund balance that the Town of West Jefferson intends to use for specific purposes.

Assigned for Capital Projects - portion of fund balance that has been assigned by the Board for governmental fund type capital projects.

Assigned for Cemetery Maintenance - portion of fund balance that has been assigned by the Board for special care and maintenance of the municipal cemetery, funded by cemetery plot sales.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$10,000.

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

The Town of West Jefferson has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, city 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.

15. 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 West Jefferson's employer contributions are recognized when due and the Town has a legal requirement to provide

the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance - Related Legal Contractual Provisions

There were no instances of material matters of noncompliance with federal and State General Statute requirements.

B. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2024, there were no instances of expenditures in excess of appropriations.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the units' name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in its name. 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 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 policy regarding custodial credit risk for deposits.

At June 30, 2024, the Town deposits had a carrying amount \$4,947,689 and a bank balance of \$4,987,353. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2024 the Town's petty cash fund totaled \$484.

2. Receivables - Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position are presented net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>6/30/2024</u>
General Fund-Accounts Receivable	\$ 278
General Fund - Taxes Receivable	2,400
Enterprise Fund - Accounts Receivable	3,600
Total	<u>\$ 6,278</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXHIBIT 9

3. Lease Receivable

In January 2021, the Town entered into a lease with Carolina West Wireless, Inc. Under the lease, the company pays the Town \$3,600 per year for five years in exchange for an easement and right of way extending from The Professional Way for the placement of cellular communication equipment. There are no variable payments included in this lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.5% which is the Town's incremental borrowing rate.

In fiscal year 2024, the Town recognized \$2,709 of lease revenue and \$173 of interest revenue under the lease.

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	\$ 409,464	\$ 1,345,000		\$ 1,754,464
Construction in progress	-	81,920		81,920
Total capital assets not being depreciated	409,464	1,426,920	-	1,836,384
 Capital assets being depreciated:				
Building	691,103	50,460		741,563
Other improvements	3,455,028	56,526		3,511,554
Equipment	1,231,709	95,126		1,326,835
Vehicles and motorized equipment	2,449,938	396,348		2,846,286
Computer equipment	30,902			30,902
Infrastructure				
Total capital assets being depreciated	7,858,680	598,460	-	8,457,140
 Less accumulated depreciation for:				
Building	167,799	11,446		179,245
Other improvements	1,607,775	159,481		1,767,256
Equipment	835,869	73,545		909,414
Vehicles and motorized equipment	2,084,363	189,627		2,273,990
Computer equipment	30,902			30,902
Infrastructure				
Total accumulated depreciation	4,726,708	434,099	-	5,160,807
Total capital assets being depreciated, net	3,131,972			3,296,333
Governmental activity capital assets, net	\$ 3,541,436			\$ 5,132,717

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

General government	\$ 16,395
Public safety	185,663
Transportation	199,500
Cultural and recreational	32,541
Total depreciation expense	\$ 434,099

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EXHIBIT 9

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
<i>Water and Sewer Fund</i>				
Capital assets not being depreciated:				
Land	\$ 140,780	\$ -	\$ -	\$ 140,780
Construction in progress		20,250		20,250
Total capital assets not being depreciated	<u>140,780</u>	<u>20,250</u>	<u>-</u>	<u>161,030</u>
Capital assets being depreciated:				
Land Improvements	13,074			13,074
Plant and distribution systems	16,189,876	116,407		16,306,283
Furniture and maintenance equipment	1,009,058	22,505		1,031,563
Vehicles	149,025			149,025
Total capital assets being depreciated	<u>17,361,033</u>	<u>138,912</u>	<u>-</u>	<u>17,499,945</u>
Less accumulated depreciation for:				
Land Improvements	13,074			13,074
Plant and distribution systems	7,128,174	308,727		7,436,901
Furniture and maintenance equipment	673,874	43,487		717,361
Vehicles	139,968	9,056		149,024
Total accumulated depreciation	<u>7,955,090</u>	<u>361,270</u>	<u>-</u>	<u>8,316,360</u>
Total capital assets being depreciated, net	<u>9,405,943</u>			<u>9,183,585</u>
Business-type activities capital assets, net	<u>\$ 9,546,723</u>			<u>\$ 9,344,615</u>

Construction Commitments

The Town has a commitment to a contractor for the Paddy Mountain Trail Head Project. The balance of that contract price as of June 30, 2024 was \$714,649. The total project cost is projected to be \$932,885.

DISCRETELY PRESENTED COMPONENT UNIT

Capital asset activity for the ABC Board the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 95,614	\$ -	\$ -	\$ 95,614
Construction in progress				-
Total capital assets not being depreciated	<u>95,614</u>	<u>-</u>	<u>-</u>	<u>95,614</u>
Capital assets being depreciated:				
Building	451,984			451,984
Building & Improvements	269,514			269,514
Machinery & Equipment	130,284			130,284
Furniture and Fixtures	14,746			14,746
Total capital assets being depreciated	<u>866,528</u>	<u>-</u>	<u>-</u>	<u>866,528</u>

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EXHIBIT 9

Less accumulated depreciation for :

Building	98,136	9,248		107,384
Building & Improvements	149,949	13,616		163,565
Machinery & Equipment	125,301	3,678		128,979
Furniture & Fixtures	12,966	979		13,945
Total accumulated depreciation	386,352	27,521	-	413,873
Total capital assets being depreciated, net	480,176			452,655
ABC Capital assets, net	\$ 575,790			\$ 548,269

The ABC Board's capitalization threshold is \$2,000.

5. Right to Use Leased Asset

The Town has recorded one right to use leased asset. The asset is a right to use asset for leased equipment. The lease is discussed in the Leases subsection of the Liabilities section of this note. The right to use lease asset is amortized on a straight-line basis over the terms of the related lease.

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

	Beginning	Increases	Decreases	Ending
Right to use assets				
Leased Equipment	\$ 19,128	\$ -		\$ 19,128
Total right to use assets	19,128	-	-	19,128
Less accumulated amortization for:				
Leased equipment	8,146	4,250	-	12,396
Total accumulated amortization	8,146	\$ 4,250	-	12,396
Right to use assets, net	\$ 10,982			\$ 6,732

B. Liabilities

1. Pension Plan Obligations and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of West Jefferson is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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 the Office of the State Controller, 1410 Mail Services Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of credible service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Town of West Jefferson 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 West Jefferson's contractually required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.85% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year. Contributions to the pension plan from the Town of West Jefferson were \$155,316 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 Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Town reported a liability of \$842,655 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.01272% which was a decrease of 0.00143% from its proportion measured as of June 30, 2022.

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For the year ended June 30, 2024, the Town recognized pension expense of \$219,112. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,897	\$ 2,021
Changes of assumptions	35,808	
Net difference between projected and actual earnings on pension plan investments	225,531	-
Changes in proportion and differences between Town contributions and proportionate share of contributions		51,850
Town contributions subsequent to the measurement date	155,316	
Totals	\$ 510,552	\$ 53,871

The \$155,316 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease in the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ 107,844
2026	45,650
2027	138,334
2028	9,537
2029	-
Thereafter	-
Total	\$ 301,365

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

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and

TOWN OF WEST JEFFERSON, NORTH CAROLINA
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EXHIBIT 9

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 rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate.

The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 6.5 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 1,459,867	\$ 842,655	\$ 334,509

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

b. Law Enforcement Officers Special Separation Allowance

Plan Description

The Town of West Jefferson administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified

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sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1	
Terminated plan members entitled to but not yet receiving benefits	0	
Active plan members	7	
Total	8	

Summary of Significant Accounting Policies

Basis of Accounting . The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2022 valuation. 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 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent

The Discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index. Mortality rates use Pub-2010 amount-weighted tables and are projected from 2010 using generational improvements with Scale MP-2019.

Contributions

The Town is required by Article 12D of G.S Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The Town paid \$3,520 as benefits came due for the reporting period.

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EXHIBIT 9

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 total liability of \$155,657. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022, actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of \$21,133.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,886	\$ 3,975
Changes of assumptions	19,551	35,618
Benefits payments and plan administrative expense made subsequent to the measurement date	1,760	
Total	\$ 42,197	\$ 39,593

The amount of \$1,760 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount to be Recognized in Pension
Year ended June 30:			
2025	\$ 13,864	\$ 8,912	\$ 4,952
2026	13,864	8,036	5,828
2027	7,571	7,948	(377)
2028	2,156	7,801	(5,645)
2029	2,156	6,509	(4,353)
Thereafter	826	387	439
Total	\$ 40,437	\$ 39,593	\$ 844

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 4.00 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 177,444	\$ 155,657	\$ 136,350

Law Enforcement Officers' Special Separation Allowance

	2024
Beginning balance	\$ 139,151
Service cost	10,258
Interest on the total pension liability	5,922
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of total pension liability	(1,900)
Changes of assumptions or other inputs	5,746
Benefit payments	(3,520)
Other changes	-
Ending balance of total pension liability	\$ 155,657

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The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S population. The health mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

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 pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>TOTAL</u>
Pension Expense	\$ 219,112	\$ 21,133	\$ 240,245
Pension Liability	842,655	155,657	998,312
Proportionate share of the net pension liability	0.01272%	N/A	
 Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 93,897	\$ 20,886	\$ 114,783
Changes of assumptions	35,808	19,551	55,359
Net difference between projected and actual earnings on plan investments	225,531	-	225,531
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-
Benefit payments and administrative costs paid subsequent to the measurement date	155,316	1,760	157,076
Total Deferred Outflows of Revenues	<u>\$ 510,552</u>	<u>\$ 42,197</u>	<u>\$ 552,749</u>
 Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 2,021	\$ 3,975	\$ 5,996
Changes of assumptions	-	35,618	35,618
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	51,850	-	51,850
Total Deferred Inflows of Revenues	<u>\$ 53,871</u>	<u>\$ 39,593</u>	<u>\$ 93,464</u>

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Income Plan, a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for law enforcement officers the year ended June 30, 2024 were \$35,383, which consisted of \$22,143 from the Town and \$13,240 from the law enforcement officers. The Town has also elected to include general employees in the plan as well. Contributions for general employees for the year ended June 30, 2024 were \$52,503, which consisted of \$36,241 from the Town and \$16,262 from general employees.

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

Plan Description. The State of North Carolina contributes, on behalf of the Town of West Jefferson, to the Firefighter's and Rescue Squad Workers' Pension Fund, a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The Town pays the required contribution for the West Jefferson Fire Department, which totaled \$1,510 for the fiscal year ended June 30, 2024. The State, a nonemployee contributor, funds the plan through appropriations. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly.

e. Other Postemployment Benefits

Health Care Benefits

The Town of West Jefferson's health insurance plan only allows for state continuation coverage of up to 18 months after retirement. The Town does not pay for those benefits. Therefore, the Town has no Other Post-employment Benefits.

f. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. The Town considers the contribution to be immaterial.

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EXHIBIT 9

2. Deferred Outflows and Inflows of Resources

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

	<u>Statement of Net Position</u>
Contributions to pension plan in current fiscal year (LGERS)	\$ 155,316
Benefit payments made and administrative expenses for LEOSSA made subsequent to the measurement date	1,760
Differences between expected and actual experience (LGERS)	93,897
Differences between expected and actual experience (LEOSSA)	20,886
Changes of assumptions (LGERS)	35,808
Changes of assumptions (LEOSSA)	19,551
Net difference between projected and actual earnings on pension plan investments (LGERS)	225,531
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	-
Total	\$ 552,749

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

	<u>Statement of Net Position</u>	<u>Governmental Fund Balance Sheet</u>
Prepaid taxes (General Fund)	\$ 5,802	\$ 5,802
Taxes receivable, less penalties (General Fund & Park)	-	40,416
Prepaid Licenses (General Fund)	375	375
Lease Receivable (General Fund)	5,417	5,417
Changes in assumptions (LEOSSA)	35,618	-
Differences between expected and actual experience (LGERS)	2,021	-
Differences between expected and actual experience (LEOSSA)	3,975	-
Difference between projected and actual earnings on plan investments (LGERS)	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	51,850	-
Total	\$ 105,058	\$ 52,010

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 carries commercial coverage for all risks of loss as follows:

Insurance Coverage

Agent: Miller's Insurance Agency

Provider: Employers Mutual Casualty Company

<u>Type</u>	<u>Coverage</u>	<u>Limit of Insurance</u>
Fire on Building	Blanket Building and Personal Property	\$ 16,230,247
Liability	General Aggregate (other than Property)	2,000,000
	Each Occurrence	1,000,000
Equipment Floater	Contractor's Equipment	367,700
Automobile	Liability	1,000,000
Worker's Compensation	Policy applies to the Worker's Comp Laws of NC	500,000

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EXHIBIT 9

Agent: Miller's Insurance Agency
Provider: RLI Insurance Company

Professional Liability:

Errors/Omissions	Per Occurrence	\$ 1,000,000
	Annual Aggregate	2,000,000

There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The Town has no flood insurance. Flood insurance has not been required by lenders thus far. The Town's Finance Officer is bonded for \$500,000, the Town Manager for \$10,000, and the Tax Collector \$10,000.

4 Long Term Debt Obligations

a. Leases

The Town has entered into an agreement to lease certain equipment. The lease agreement qualifies as an other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The agreement was executed on September 29, 2020, to lease a copy machine and requires 63 monthly payments of \$518, of which \$101 is for usage and maintenance. Any variable payment components of the lease are for usage and maintenance. The lease liability is measured at a discount rate of 5.8% which is the internal rate of return for the lease. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$6,730 at June 30, 2024. The right to use asset is discussed in more detail in section A.5. of this note.

The future minimum lease obligations and the net present value of these minimum lease payment as of June 30, 2024 were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2025	\$ 4,757	\$ 247	\$ 5,004
2026	1,648	20	1,668
2027	-	-	-
2028	-	-	-
	<u>\$ 6,405</u>	<u>\$ 267</u>	<u>\$ 6,672</u>

b. Installment Purchases

The Town currently has no installment purchases outstanding.

c. Revenue Bonds

\$380,000 Water and Sewer Revenue Bonds, Series 2019A, issued for water and sewer improvements, July 17, 2019. Principal and interest installments are due annually on June 1, at an annual interest rate of 1.75%.

\$ 301,000

\$309,000 Water and Sewer Revenue Bonds, Series 2019B, issued for water and sewer improvements, July 17, 2019. Principal and interest installments are due annually on June 1, at an annual interest rate of 2.125%.

	282,000
Total	\$ 583,000

TOWN OF WEST JEFFERSON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXHIBIT 9

The future payments of revenue bonds are as follows:

Year Ending June 30	Series 2019A		Series 2019B	
	Principal	Interest	Principal	Interest
2025	\$ 7,000	\$ 5,267	\$ 6,000	\$ 5,992
2026	7,000	5,145	6,000	5,865
2027	7,000	5,023	6,000	5,738
2028	8,000	4,900	6,000	5,610
2029	8,000	4,760	6,000	5,483
2030-2034	40,000	21,700	32,000	25,479
2035-2039	45,000	18,025	35,000	21,888
2040-2044	49,000	13,983	40,000	17,956
2045-2049	53,000	9,572	44,000	13,579
2050-2054	58,000	4,760	49,000	8,691
2055-2059	19,000	455	52,000	3,293
Total	<u>\$ 301,000</u>	<u>\$ 93,590</u>	<u>\$ 282,000</u>	<u>\$ 119,574</u>

The Town is in compliance with the covenants as to rates and charges in Section 5.01 of the Bond Order, authorizing the issuance of the Water And Sewer Revenue Bonds. Section 5.01 of the Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2024 is as follows:

Operating revenues	\$ 1,090,607
Operating expenses*	(926,207)
Net operating revenues available for debt service	<u>\$ 164,400</u>
Debt service, principal and interest paid	\$ 45,874
Debt service coverage ratio	358%

*Per rate covenants, this does not include the depreciation expense of \$240,055.

The Town pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$689,000 in water and sewer system revenue bonds issued in July 2019. Proceeds from the bonds provided financing for the various improvements to the Town's water and sewer system, including a sludge dewatering facility, a water supply well with water lines, and water and sewer lines for Mount Jefferson Road/Wade Vannoy Drive. The bonds are payable solely from water and sewer customer net revenues and are payable through 2059. Annual principal and interest payments on the bonds are expected to require approximately 13 % of net revenues. The total principal and interest remaining to be paid on the bonds is \$796,164. Principal and interest paid for the current year and total customer net revenues were \$45,874 and \$164,000 respectively.

d. Changes in Long-Term Liabilities

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
Governmental activities:					
Direct placement					
installment purchases	\$ -	\$ -	\$ -	\$ -	\$ -
Lease liabilities	11,256		4,467	6,789	4,734
Compensated absences	72,372	58,142	40,602	89,912	89,912
Net pension liability (LGERS)	640,208	52,413		692,621	
Net pension liability (LEO)	139,151	16,506		155,657	
Gov activities long-term liab	<u>\$ 862,987</u>	<u>\$ 127,061</u>	<u>\$ 45,069</u>	<u>\$ 944,979</u>	<u>\$ 94,646</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXHIBIT 9

<u>Business-type activities:</u>	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
Direct placement					
installment purchases	\$ -	\$ -	\$ -	-	\$ -
Revenue Bonds	617,000		34,000	583,000	13,000
Compensated absences	21,285	13,755	13,698	21,342	21,342
Net pension liability (LGRS)	158,054		8,020	150,034	
Bus-type activ. long-term liab.	<u>\$ 796,339</u>	<u>\$ 13,755</u>	<u>\$ 55,718</u>	<u>\$ 754,376</u>	<u>\$ 34,342</u>

Compensated absences typically have been liquidated in the General Fund.

C. Transfers and Interfund Balances

Due to/from Other Funds

Due to General fund from Stormwater Retention Project fund to be reimbursed by grant receivable	\$ 31,500
Total	<u>\$ 31,500</u>

D. Extraordinary Item

The Town received a donation of 152 acres of land on Paddy Mountain from Blue Ridge Conservancy to be protected as a Public Park. The value of the land received is \$1,345,000.

E. Fund Balance

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

Total fund balance - General Fund	\$ 3,090,405
Less:	
Stabilization by State Statute	342,884
Public Safety - Police	6,082
Streets - Powell Bill	51,950
Public Safety - Fire Department	938,933
Appropriated Fund Balance in 2024/2025 budget	175,500
Remaining Fund Balance	1,575,056

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies 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 monies.

V. Subsequent Events

Subsequent events have been evaluated through the date these financial statements were available to be issued - December 10, 2024.

TOWN OF WEST JEFFERSON, NORTH CAROLINA
TOWN OF WEST JEFFERSON'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
West Jefferson's proportion of the net pension liability (asset) (%)	0.01272%	0.01415%	0.01451%	0.01413%	0.01371%	0.01281%	0.01388%	0.01395%	0.01451%	0.01451%
West Jefferson's proportion of the net pension liability (asset) (\$)	\$ 842,655	\$ 798,262	\$ 222,525	\$ 504,925	\$ 374,409	\$ 303,897	\$ 212,048	\$ 296,066	\$ 65,120	\$ (85,572)
West Jefferson's covered-employee payroll	\$1,013,839	\$ 922,090	\$ 876,507	\$ 825,496	\$ 758,362	\$ 757,634	\$ 752,691	\$ 703,666	\$ 717,027	\$ 720,204
West Jefferson's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	83.12%	86.57%	25.39%	61.16%	49.37%	40.11%	28.17%	42.07%	9.25%	(11.88%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

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

TOWN OF WEST JEFFERSON, NORTH CAROLINA
TOWN OF WEST JEFFERSON'S PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 155,317	\$ 126,384	\$ 107,273	\$ 91,405	\$ 76,283	\$ 60,749	\$ 58,896	\$ 56,666	\$ 48,148	\$ 52,006
Contributions in relation to the contractually required contribution	155,317	126,384	107,273	91,405	76,283	60,749	58,896	56,666	48,148	52,006
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
West Jefferson's covered-employee payroll	\$1,167,676	\$1,013,839	\$ 922,090	\$ 876,507	\$ 825,496	\$ 758,362	\$ 757,634	\$ 752,691	\$ 703,666	\$ 717,027
Contributions as a percentage of covered-employee payroll	13.30%	12.46%	11.63%	10.43%	9.24%	8.01%	7.77%	7.53%	6.84%	7.25%

TOWN OF WEST JEFFERSON, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Beginning Balance	\$ 139,151	\$ 156,174	\$ 148,704	\$ 66,622	\$ 58,134	\$ 55,099	\$ 46,217	\$ 41,945
Changes for the Year:								
Service Cost	10,258	17,452	17,852	10,653	7,298	7,420	6,084	6,370
Interest On The Total Pension Liability	5,922	3,474	2,836	2,115	2,057	1,741	1,763	1,465
Changes of Benefit Terms								
Differences Between Expected And Actual Experience								
In The Measurement Of The Total Pension Liability	(1,900)	9,348	(2,978)	37,202	(920)	(2,572)	(3,406)	
Changes Of Assumptions Or Other Inputs	5,746	(43,777)	(6,720)	35,632	3,280	(3,554)	5,502	(1,744)
Benefit Payments	(3,520)	(13,520)	(3,520)	(3,520)	(3,227)		(1,061)	(1,819)
Other Changes								
Net Changes	<u>\$ 16,506</u>	<u>\$ (17,023)</u>	<u>\$ 7,470</u>	<u>\$ 82,082</u>	<u>\$ 8,488</u>	<u>\$ 3,035</u>	<u>\$ 8,882</u>	<u>\$ 4,272</u>
Ending Balance Of The Total Pension Liability	<u><u>\$ 155,657</u></u>	<u><u>\$ 139,151</u></u>	<u><u>\$ 156,174</u></u>	<u><u>\$ 148,704</u></u>	<u><u>\$ 66,622</u></u>	<u><u>\$ 58,134</u></u>	<u><u>\$ 55,099</u></u>	<u><u>\$ 46,217</u></u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

TOWN OF WEST JEFFERSON, NORTH CAROLINA
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 155,657	\$ 139,151	\$ 156,174	\$ 148,704	\$ 66,622	\$ 58,134	\$ 55,099	\$ 46,217
Covered Payroll	\$ 342,157	\$ 386,824	\$ 371,870	\$ 315,368	\$ 280,048	\$ 279,403	\$ 285,380	\$ 289,752
Total Pension Liability as a Percentage of Covered Payroll	45.49%	35.97%	42.00%	47.15%	23.79%	20.81%	19.31%	15.95%

Notes to the schedules:

The Town of West Jefferson has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

TOWN OF WEST JEFFERSON, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Ad Valorem Taxes:			
Current Year	\$ -	\$ 1,395,304	\$ -
Prior Years Refunds		(440)	
Prior Years Collections		32,837	
Penalties and Interest		9,040	
Total	<u>\$ 1,397,000</u>	<u>\$ 1,436,741</u>	<u>\$ 39,741</u>
Unrestricted Intergovernmental Revenues:			
Local Option Sales Tax	\$ -	\$ 662,526	\$ -
Telecommunications Tax		9,037	
Utilities Franchise Tax		204,265	
Piped Natural Gas Tax		4,749	
Video Franchise Tax		547	
Beer and Wine Tax		6,662	
ABC Profit Distribution		260,000	
Total	<u>\$ 1,145,000</u>	<u>\$ 1,147,786</u>	<u>\$ 2,786</u>
Restricted Intergovernmental Revenues:			
Federal & State Grants	\$ -	\$ -	\$ -
Fire Tax Collections & Budget Appropriation		424,399	
Firefighter's Relief Fund & State Grants		30,373	
Police Funds		-	
ABC Revenues for Law Enforcement		14,178	
Powell Bill Allocation		54,381	
Solid Waste Disposal Tax		1,086	
Total	<u>\$ 576,000</u>	<u>\$ 524,417</u>	<u>\$ (51,583)</u>
Permits and Fees:			
Officer Fees	\$ -	\$ 621	\$ -
Garbage Fees		19,274	
Planning Fees		10,390	
Beer & Wine License		620	
Total	<u>\$ 32,000</u>	<u>\$ 30,905</u>	<u>\$ (1,095)</u>
Investment Earnings:			
Investment Earnings	\$ -	\$ 34,827	\$ -
Total	<u>\$ 13,300</u>	<u>\$ 34,827</u>	<u>\$ 21,527</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Miscellaneous:			
Lease Revenue	\$ -	\$ 2,709	\$ -
Lease Interest Revenue		173	
Contributions to Fire Department		9,250	
Contributions to Police Department		-	
Sales of Fixed Assets		-	
Other		10,778	
Total	<u>\$ 10,000</u>	<u>\$ 22,910</u>	<u>\$ 12,910</u>
Total Revenues	<u>\$ 3,173,300</u>	<u>\$ 3,197,586</u>	<u>\$ 24,286</u>
Expenditures			
General Government			
Administration			
Salaries/Employee Benefits	\$ -	\$ 393,151	\$ -
Operating Expenses		221,519	
Donation to Blue Ridge Conservancy			
Capital Outlay		50,460	
Total General Government	<u>\$ 802,996</u>	<u>\$ 665,130</u>	<u>\$ 137,866</u>
Public Safety			
Police			
Salaries/Employee Benefits	\$ -	\$ 639,129	\$ -
Operating Expenses		139,013	
Capital Outlay		64,572	
Total		<u>842,714</u>	
Fire			
Salaries/Employee Benefits		119,412	
Operating Expenses		178,603	
Capital Outlay		298,723	
Total		<u>596,738</u>	
Total Public Safety	<u>\$ 1,574,300</u>	<u>\$ 1,439,452</u>	<u>\$ 134,848</u>
Transportation			
Street Department			
Salaries/Employee Benefits	\$ -	\$ 212,973	\$ -
Operating Expenses		333,294	
Capital Outlay		145,559	
Total		<u>691,826</u>	
Powell Bill			
Operating Expenses		53,938	
Capital Outlay			
Total		<u>53,938</u>	
Total Transportation	<u>\$ 823,800</u>	<u>\$ 745,764</u>	<u>\$ 78,036</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Economic Development			
Contributions to ACJD	\$ -	\$ 65,257	\$ -
Co-Operative Agreement			
Total Economic Development	<u>\$ 75,000</u>	<u>\$ 65,257</u>	<u>\$ 9,743</u>
Environmental Protection			
Sanitation			
Contracted Services	\$ -	\$ 114,714	\$ -
Recycling		6,000	
Total Environmental Protection	<u>\$ 121,000</u>	<u>\$ 120,714</u>	<u>\$ 286</u>
Culture and Recreation			
Donation to WJ Lions Club	\$ -	\$ -	\$ -
Other		1,200	
Total Culture and Recreation	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ -</u>
Debt Service			
Lease Principal		4,489	
Lease Interest		515	
Total Debt Service	<u>\$ 5,004</u>	<u>\$ 5,004</u>	<u>\$ -</u>
Contingency Fund			-
Total Expenditures	<u>\$ 3,403,300</u>	<u>\$ 3,042,521</u>	<u>\$ 360,779</u>
Revenues Over (Under) Expenditures	<u>\$ (230,000)</u>	<u>\$ 155,065</u>	<u>\$ 385,065</u>
Other Financing Sources (Uses)			
Appropriated Fund Balance	\$ 230,000	\$ -	\$ (230,000)
Operating Transfers In (Out)			-
Total Other Financing Sources (Uses)	<u>\$ 230,000</u>	<u>\$ -</u>	<u>\$ (230,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 155,065</u>	<u>\$ 155,065</u>
Fund Balance			
Beginning of Year, July 1		<u>2,935,340</u>	
End of Year, June 30		<u>\$ 3,090,405</u>	

TOWN OF WEST JEFFERSON, NORTH CAROLINA
COMBINING BALANCE SHEETS
NON - MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>			<u>Total Non-Major Governmental Funds</u>
	<u>Park Fund</u>	<u>Cemetery Fund</u>	<u>Park CP</u>	<u>Paddy Mtn</u>	<u>Stormwater Retention</u>	
ASSETS						
Cash and Cash Equivalents	\$ 120,283	\$ 36,863	\$ -	\$ -	\$ -	\$ 157,146
Restricted Cash				199,580		199,580
Receivables (Net):						-
Taxes	3,000					3,000
Due from Other Governmental Units	330			25,210	31,500	57,040
Total Assets	<u>\$ 123,613</u>	<u>\$ 36,863</u>	<u>\$ -</u>	<u>\$ 224,790</u>	<u>\$ 31,500</u>	<u>\$ 416,766</u>
LIABILITIES						
Accounts Payable	\$ 2,820	\$ -	\$ -	\$ -	\$ -	\$ 2,820
Due to Other Funds					31,500	31,500
Total Liabilities	<u>\$ 2,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,500</u>	<u>\$ 34,320</u>
DEFERRED INFLOWS OF RESOURCES						
Taxes Receivable	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Total Deferred Inflows of Resources	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>
FUND BALANCES						
Restricted:						
Restricted by State Statute	\$ 330	\$ -	\$ -	\$ 25,210	\$ -	\$ 25,540
For Culture and Recreation				199,580		199,580
Committed:						-
For Park Maintenance	117,463					117,463
Assigned:						-
Subsequent Year's Expenditures						-
For Cemetery Maintenance		36,863				36,863
Capital Projects						-
Total Fund Balance	<u>\$ 117,793</u>	<u>\$ 36,863</u>	<u>\$ -</u>	<u>\$ 224,790</u>	<u>\$ -</u>	<u>\$ 379,446</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 123,613</u>	<u>\$ 36,863</u>	<u>\$ -</u>	<u>\$ 224,790</u>	<u>\$ 31,500</u>	<u>\$ 416,766</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON - MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>			<u>Total Non - Major Gov't Funds</u>
	<u>Park Fund</u>	<u>Cemetery Fund</u>	<u>Park CP</u>	<u>Paddy Mtn.</u>	<u>Stormwater Retention</u>	
Revenues:						
Ad Valorem Taxes						
Current Year	\$ 133,234	\$ -	\$ -	\$ -	\$ -	\$ 133,234
Prior Years	2,242					2,242
Total	<u>\$ 135,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,476</u>
Federal and State Grants	\$ -	\$ -		\$ 275,210	\$ 31,500	\$ 306,710
Investment Earnings	957	390				1,347
Contribution						-
Miscellaneous	2,945					2,945
Sale of Plots		3,000				3,000
Total	<u>\$ 3,902</u>	<u>\$ 3,390</u>	<u>\$ -</u>	<u>\$ 275,210</u>	<u>\$ 31,500</u>	<u>\$ 314,002</u>
Total Revenues	<u>\$ 139,378</u>	<u>\$ 3,390</u>	<u>\$ -</u>	<u>\$ 275,210</u>	<u>\$ 31,500</u>	<u>\$ 449,478</u>
Expenditures:						
Cultural and Recreational						
Salaries/Employee Benefits	\$ 51,812	\$ -		\$ -	\$ -	\$ 51,812
Operating Expenses	49,425	8,141	2,031			59,597
Capital Outlay			41,453	50,420		91,873
Total Cultural and Recreational	<u>\$ 101,237</u>	<u>\$ 8,141</u>	<u>\$ 43,484</u>	<u>\$ 50,420</u>	<u>\$ -</u>	<u>\$ 203,282</u>
Transportation						
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 31,500	\$ 31,500
Total Transportation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,500</u>	<u>\$ 31,500</u>
Total Expenditures	<u>\$ 101,237</u>	<u>\$ 8,141</u>	<u>\$ 43,484</u>	<u>\$ 50,420</u>	<u>\$ 31,500</u>	<u>\$ 234,782</u>
Revenues Over (Under) Expenditures	\$ 38,141	\$ (4,751)	\$ (43,484)	\$ 224,790	\$ -	\$ 214,696
Other Financing Sources (Uses)						
Transfer In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ 38,141	\$ (4,751)	\$ (43,484)	\$ 224,790	\$ -	\$ 214,696
Fund Balance:						
Beginning of Year, July 1	79,652	41,614	43,484	-	-	164,750
End of Year, June 30	<u>\$ 117,793</u>	<u>\$ 36,863</u>	<u>\$ -</u>	<u>\$ 224,790</u>	<u>\$ -</u>	<u>\$ 379,446</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
SPECIAL REVENUE - PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Ad Valorem Taxes			
Current Year	\$ 111,000	\$ 133,234	\$ 22,234
Prior Years	-	2,242	2,242
Total	<u>\$ 111,000</u>	<u>\$ 135,476</u>	<u>\$ 24,476</u>
Investment Earnings	\$ 1,000	\$ 957	\$ (43)
Sale of Fixed Assets			-
Miscellaneous		2,945	2,945
Total	<u>\$ 1,000</u>	<u>\$ 3,902</u>	<u>\$ 2,902</u>
Total Revenues	<u>\$ 112,000</u>	<u>\$ 139,378</u>	<u>\$ 27,378</u>
Expenditures:			
Cultural and Recreational			
Salaries/Employee Benefits	\$ -	\$ 51,812	\$ -
Operating Expenses		49,425	
Capital Outlay			
Total Expenditures	<u>112,000</u>	<u>101,237</u>	<u>\$ 10,763</u>
Revenues Over (Under) Expenditures	\$ -	\$ 38,141	\$ 38,141
Other Financing Sources (Uses)			
Transfers In (Out)			-
Appropriated Fund Balance			-
Excess of Revenues and Other Sources			
Over (Under) Expenditures	<u>\$ -</u>	\$ 38,141	<u>\$ 38,141</u>
Fund Balance:			
Beginning of Year, July 1		<u>79,652</u>	
End of Year, June 30		<u>\$ 117,793</u>	

TOWN OF WEST JEFFERSON, NORTH CAROLINA
SPECIAL REVENUE - CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$ -	\$ 390	\$ 390
Sale of Plots	3,000	3,000	-
Total Revenues	\$ 3,000	\$ 3,390	\$ 390
Expenditures:			
Cultural and Recreational			
Operating Expenses	\$ -	\$ 8,141	\$ -
Capital Outlay			
Total Expenditures	10,000	8,141	\$ 1,859
Revenues Over (Under) Expenditures	\$ (7,000)	\$ (4,751)	\$ 2,249
Other Financing Sources (Uses)			
Transfers In (Out)			-
Appropriated Fund Balance	7,000		(7,000)
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ (4,751)	\$ (4,751)
Fund Balance:			
Beginning of Year, July 1		41,614	
End of Year, June 30		\$ 36,863	

TOWN OF WEST JEFFERSON, NORTH CAROLINA
CAPITAL PROJECT - PARK CP
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$ -	\$ -	\$ -
Miscellaneous			-
Total	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -
Expenditures:			
Cultural and Recreational			
Salaries/Employee Benefits	\$ -	\$ -	\$ -
Operating Expenses		2,031	
Capital Outlay		41,453	
Total Expenditures	43,500	43,484	\$ 16
Revenues Over (Under) Expenditures	\$ (43,500)	\$ (43,484)	\$ 16
Other Financing Sources (Uses)			
Appropriated Fund Balance	43,500		(43,500)
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ (43,484)	\$ (43,484)
Fund Balance:			
Beginning of Year, July 1		43,484	
End of Year, June 30		\$ -	

TOWN OF WEST JEFFERSON
CAPITAL PROJECTS - PADDY MOUNTAIN
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL- (NON-GAAP)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED, JUNE 30, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>ACTUAL Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>					
Restricted Intergovernmental Revenues					
PARTF Grant	\$ 500,000	\$ -	\$ 25,210	\$ 25,210	\$ (474,790)
State Budget FY 23-24	250,000		250,000	250,000	-
Total Revenue	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 275,210</u>	<u>\$ 275,210</u>	<u>\$ (474,790)</u>
<u>Expenditures</u>					
Culture and Recreation (Paddy Mountain Project)					
Engineering	\$ 50,000	\$ -	\$ 10,500	\$ 10,500	\$ 39,500
Construction	630,000		39,920	39,920	590,080
Contingency	70,000			-	70,000
Total Expenditures	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 50,420</u>	<u>\$ 50,420</u>	<u>\$ 699,580</u>
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 224,790	\$ 224,790	\$ 224,790
Other Financing Sources (Uses)					
Fund Balance	-	-	-	-	-
					-
					-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,790</u>	<u>\$ 224,790</u>	<u>\$ -</u>
Fund Balance, Beginning of Year			-		
Fund Balance, End of Year			<u>\$ 224,790</u>		

TOWN OF WEST JEFFERSON
CAPITAL PROJECTS - STORMWATER RETENTION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL- (NON-GAAP)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED, JUNE 30, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>ACTUAL Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>					
Restricted Intergovernmental Revenues					
Golden Leaf Grant	\$ 250,000	\$ -	\$ 31,500	\$ 31,500	\$ (218,500)
Total Revenue	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 31,500</u>	<u>\$ 31,500</u>	<u>\$ (218,500)</u>
<u>Expenditures</u>					
Transportation - Stormwater Retention Project					
Administrative	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000
Engineering	31,500		31,500	31,500	-
Construction	189,500			-	189,500
Contingency	20,000			-	20,000
Total Expenditures	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 31,500</u>	<u>\$ 31,500</u>	<u>\$ 218,500</u>
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)					
Fund Balance	-	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL- (NON-GAAP)
FOR THE FISCAL YEAR ENDED, JUNE 30, 2024

Revenues	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Charges for Services			
Water Charges	\$ 570,000	\$ 576,051	\$ 6,051
Sewer Charges	520,000	525,908	5,908
Water and Sewer Taps	34,000	39,300	5,300
Total Charges for Services	\$ 1,124,000	\$ 1,141,259	\$ 17,259
Other Operating Revenues	-	6,829	6,829
Total Operating Revenues	\$ 1,124,000	\$ 1,148,088	\$ 24,088
Nonoperating Revenues			
Interest Earned on Investments	5,500	11,209	5,709
Total Nonoperating Revenues	\$ 5,500	\$ 11,209	\$ 5,709
Total Revenues	\$ 1,129,500	\$ 1,159,297	\$ 29,797
Expenditures			
Water Department			
Salaries/Employee Benefits	\$ -	\$ 157,614	\$ -
Repair & Maintenance		190,952	
Other Departmental Expenses		88,787	
Capital Outlay		22,505	
Total Water Department	\$ 555,000	\$ 459,858	\$ 95,142
Sewer Department			
Salaries/Employee Benefits	\$ -	\$ 144,678	\$ -
Repair & Maintenance		105,617	
Other Departmental Expenses		203,848	
Capital Outlay		116,407	
Total Sewer Department	\$ 695,500	\$ 570,550	\$ 124,950

TOWN OF WEST JEFFERSON, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL- (NON-GAAP)
FOR THE FISCAL YEAR ENDED, JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Debt Service			
Interest	\$ -	\$ 11,874	\$ -
Debt Principal		34,000	
Total Debt Service	<u>\$ 49,000</u>	<u>\$ 45,874</u>	<u>\$ 3,126</u>
Total Expenditures	<u>\$ 1,299,500</u>	<u>\$ 1,076,282</u>	<u>\$ 223,218</u>
Revenues Over (Under) Expenditures	\$ (170,000)	\$ 83,015	\$ 253,015
Other Financing Sources (Uses)			
Fund Balance Appropriated	<u>\$ 170,000</u>	<u>\$ -</u>	<u>\$ (170,000)</u>
Total Other Financing Sources (Uses)	<u>\$ 170,000</u>	<u>\$ -</u>	<u>\$ (170,000)</u>
Revenues and Other Sources Over (Under)			
Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 83,015</u>	<u>\$ 83,015</u>
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual			
Reconciling Items:			
Capital Grants (in Capital Projects Fund)		\$ 25,010	
Expense in Capital Project Fund		(4,760)	
Capital Outlay (not in Capital Project Fund)		138,912	
Debt Principal		34,000	
Depreciation		(361,270)	
(Increase) Decrease in Accrued Interest		51	
(Increase) Decrease in Compensated Absences Payable		(57)	
Increase (Decrease) in Deferred Outflows for Pensions		(8,941)	
(Increase) Decrease in Net Pension Liability		8,020	
(Increase) Decrease in Deferred Inflows for Pensions		<u>(4,010)</u>	
Total Reconciling Items		<u>\$ (173,045)</u>	
Change in Net Position		<u>\$ (90,030)</u>	

TOWN OF WEST JEFFERSON
ARPA - WATER FEASIBILITY STUDY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL- (NON-GAAP)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED, JUNE 30, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>ACTUAL Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>					
Restricted Intergovernmental Revenues					
American Rescue Plan Act Grant	\$ 55,000	\$ -	\$ 4,760	\$ 4,760	\$ (50,240)
Total Revenue	<u>\$ 55,000</u>	<u>\$ -</u>	<u>\$ 4,760</u>	<u>\$ 4,760</u>	<u>\$ (50,240)</u>
<u>Expenditures</u>					
Water Feasibility Study					
Engineering	\$ 50,000	\$ -	\$ 4,760	\$ 4,760	\$ 45,240
Administration	5,000			-	5,000
Total Expenditures	<u>\$ 55,000</u>	<u>\$ -</u>	<u>\$ 4,760</u>	<u>\$ 4,760</u>	<u>\$ 50,240</u>
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)					
Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF WEST JEFFERSON
ARPA - WWTP IMPROVEMENTS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL- (NON-GAAP)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED, JUNE 30, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>ACTUAL Current Year</u>	<u>Total To Date</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>					
Restricted Intergovernmental Revenues					
NC State ARPA Fund	\$ 1,500,000	\$ -	\$ 20,250	\$ 20,250	\$ 1,479,750
Total Revenue	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 20,250</u>	<u>\$ 20,250</u>	<u>\$ 1,479,750</u>
<u>Expenditures</u>					
Wastewater Treatment Plant Improvements					
Administration	\$ 183,500	\$ -	\$ -	\$ -	\$ 183,500
Engineering	129,000		20,250	20,250	108,750
Construction	1,079,546				1,079,546
Contingencies	107,954				107,954
Total Expenditures	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 20,250</u>	<u>\$ 20,250</u>	<u>\$ 1,479,750</u>
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)					
Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2024

	<u>Uncollected Balance July 1, 2023</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2023 - 24	\$ -	\$ 1,614,713	\$ 1,588,326	\$ 26,387
2022 - 23	33,941		26,735	7,206
2021 - 22	7,597		4,467	3,130
2020 - 21	3,509		595	2,914
2019 - 20	1,653		246	1,407
2018 - 19	996		243	753
2017 - 18	624		157	467
2016 - 17	624		157	467
2015 - 16	624		539	85
2014 - 15	650		650	-
2013 - 14	1,146		1,146	-
	<u>\$ 51,364</u>	<u>\$ 1,614,713</u>	<u>\$ 1,623,261</u>	<u>\$ 42,816</u>
				Less Allowance for Uncollectible Ad Valorem Taxes Receivable
				<u>\$ (2,400)</u>
				Ad Valorem Taxes Receivable - Net
				<u>\$ 40,416</u>

Reconciliation with Revenues:

Taxes - Ad Valorem - General Fund	\$ 1,436,741
Taxes - Ad Valorem - Special Revenue Fund	135,476
Discounts Allowed	59,751
Prior year refunds	440
Adjustments	(1,091)
Interest Received	(9,040)
Amount Written Off Per Statute of Limitations	<u>984</u>
Total Collections and Credits	<u>\$ 1,623,261</u>

TOWN OF WEST JEFFERSON, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
TOWN WIDE LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Total Property Valuation	Rate	Amount of Levy	Total Levy	
				Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 438,848,185	.35	\$ 1,535,706	\$ 1,494,911	\$ 40,795
Property taxed at prior years rate	4,009,619	.42	16,840		16,840
Total original levy	<u>\$ 442,857,804</u>		<u>\$ 1,552,546</u>	<u>\$ 1,494,911</u>	<u>\$ 57,635</u>
Discoveries:					
Current year's taxes	21,883,310	.35	76,592	76,592	
Total	<u>\$ 464,741,114</u>		<u>\$ 1,629,138</u>	<u>\$ 1,571,503</u>	<u>\$ 57,635</u>
Less Abatements	(4,121,227)		(14,424)	(14,424)	
Total property valuation	<u><u>\$ 460,619,887</u></u>				
Net levy			\$ 1,614,713	\$ 1,557,079	\$ 57,635
Uncollected taxes at June 30, 2024			(26,387)	(26,387)	
Current year's taxes collected			<u>\$ 1,588,326</u>	<u>\$ 1,530,692</u>	<u>\$ 57,635</u>
Current levy collection percentage			<u>98.37%</u>	<u>98.31%</u>	<u>100.00%</u>

Priscilla L. Norris, CPA

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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
Board of Aldermen
Town of West Jefferson, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of West Jefferson, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of West Jefferson's basic financial statements, and have issued our report thereon dated December 10, 2024. Our report includes a reference to other auditors who audited the financial statements of the West Jefferson ABC Board, as described in our report on the Town of West Jefferson's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the West Jefferson ABC Board and the West Jefferson TDA were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of West Jefferson's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of West Jefferson'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 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 internal control was for limited purpose described in the preceding paragraph 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



Priscilla L. Norris, CPA
Jefferson, North Carolina
December 10, 2024

TOWN OF WEST JEFFERSON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- | | | |
|---|-----------|------------------------------|
| * Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |
| * Significant deficiency(s) identified that are not considered to be material weakness? | _____ yes | _____ <u>X</u> none reported |

Noncompliance material to financial statements noted	_____ yes	_____ <u>X</u> no
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Section II. Financial Statement Findings

None reported.

TOWN OF WEST JEFFERSON, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section II. Financial Statement Findings

None reported.

TOWN OF WEST JEFFERSON, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>Assistance</u> <u>Listing #</u>	<u>State</u> <u>Project</u> <u>Numbers</u>	<u>Federal</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
<u>US Department of Treasury</u>				
Passed-through the NC Environmental Quality:				
Water System Interconnection Feasibility Study(ARPA)	21.027	MRF-D ARP-0019	\$ 4,760	\$ -
WWTP Improvements(ARPA)	21.027	SRP-W ARP-0164	20,250	
<u>NC Department of Transportation</u>				
Powell Bill		DOT-4		53,938
<u>NC Department of Insurance</u>				
OFSM Volunteer Fire Department Grants		2023-VFDF		29,992
<u>NC Division of Parks and Recreation</u>				
Parks and Recreation Trust Fund		203-1077		25,210
<u>NC Office of State Budget and Management</u>				
NC Regional Econ Development Reserve		13011		68,694
<u>Golden Leaf Foundation</u>				
Stormwater Retention Grant		G-202303 7541		31,500
Total Assistance			\$ 25,010	\$ 209,334

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

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of the Town of West Jefferson under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. Because SEFSA presents only a selected portion of the operations of the Town of West Jefferson, it is not intended to and does not present financial position, changes in net position or cash flows of the Town of West Jefferson.