



Locust City Council Meeting

Agenda

Joel Huneycutt Community Room

7:00 PM

January 11, 2024

Mayor

Council Members

Mayor Steve Huber

Mayor Pro-Tem Larry Baucom, Mandy Watson, Roger Hypes, Harry Fletcher, Mike Haigler, Barry Sims, and Rusty Efird

Call to Order:	1. Call to Order	Mayor Huber
	2. Presentation of Colors, Prayer	Mayor Huber
	3. Adopt Agenda	
	4. Minutes - adopt December 14, 2023	Amy Furr
Reports:	• December 14, 2023	
	5. Financial Reports	
	• Financial Summary - December 2023	
	• FY 22-23 Audit Presentation	
Department Reports:	6. Mayor's Report	Mayor Huber
	7. Manager's Report	Cesar Correa
	• Schedule Budget Retreat Meeting	
	• Harvard Kennedy School - Scholarship Application	
	• Purchase Orders	
	• Budget Amendments	
	8. Administration/HR	Harry Fletcher
	9. Parks	Mandy Watson
	10. Facilities	Barry Sims
	11. Public Works	Larry Baucom
	• Wastewater Flow Tracking - December 2023	
	12. ABC, Economic Development & Small Business Support	Rusty Efird
	13. Public Safety	Roger Hypes
	• Monthly Report - December 2023	
	• LPD Citizen of the Year 2023	

14. Planning & Zoning

Mike Haigler

- Monthly Report - December 2023
- Schedule Public Hearings: Brentwood Farms, and Ordinance Text Changes
- Voluntary Annexations - Certificates of Sufficiency
- Voluntary Annexations - Schedule Public Hearings
- Conditional Rezoning: Kolter Homes - Cresswind at Rocky River

15. Public Comment Period

16. Board Closing Comments

17. Executive Session

18. Adjourn

Next Scheduled Council Meeting February 8, 2024



Locust City Council Meeting Minutes Joel Huneycutt Community Room

7:00 PM

December 14, 2023

Mayor
Council Members

Mayor Steve Huber
Mayor Pro-Tem Larry Baucom, Mandy
Watson, Roger Hypes, Harry Fletcher, Mike
Haigler, Barry Sims, and Rusty Efird

1. Call to Order

Meeting was called to order at 7:02pm

2. Presentation of Colors, Prayer

Mayor Huber led in the Pledge of Allegiance and gave the invocation

M/S/A Council Members Harry Fletcher and Rusty Efird (6-0)
Motion to excuse Council member Mandy Watson

3. Adopt Agenda

M/S/A Council Members Harry Fletcher and Roger Hypes (6-0)
Motion to adopt agenda as amended

4. Minutes - adopt November 9, 2023.

M/S/A Council Members Harry Fletcher and Larry Baucom (6-0)
Motion to adopt the November 9, 2023 minutes

November 9, 2023

5. Financial Reports

City Manager Cesar Correa reviewed the revenues and expenditures for the general fund and wastewater funds noting that the general fund revenues exceed expenditures through November 30, 2023 by \$1,024,591.36 and

that the wastewater revenues exceed expenditures through November 30, 2023 by \$664,425.98. Also noted is that over the last 2.5 years we've been using ARPA funds to supplant the costs of wastewater treatment. The last of the available funds was used in November 2023. As of November 30, 2023 the City has used all of the available ARPA funds Locust received. The supplanted dollars are now found in our wastewater fund balance reserve, which are intended to be used towards the North Basin Sewer Improvements. Auditors will present the 2022-2023 FY audit at the January 11, 2024 Meeting

6. Mayor's Report

Mayor Huber mentioned an unsolved case from 20 years ago today. The Chance Smith case. Mayor Huber invited Assistant Chief O'Connor to present the newest Locust LPD Officer, Officer Paul Dover. Officer Dover is a Locust resident with previous law enforcement experience coming from the City of Concord. The City was approached by Mr. John Owen Tucker who is pursuing his Eagle Scout project. He'd made a presentation to City Council for his proposed plan to build an orienting course (map and compass) in the Locust Athletic Complex. Mr. Owen and his parents have been working with Parks & Rec Director Emily Jones on how/where is to best accommodate this project. Mr. Owen is requesting permission to complete this project.

M/S/A Council Members Harry Fletcher and Roger Hypes (6-0)
Motion to give permission to move forward with Eagle Scout project

Introduction of new LPD Officer - Officer Paul Dover

Eagle Scout Project - John Owen Tucker

7. Manager's Report

Purchase orders and budget amendments were reviewed. The City is working with our engineers to make some modifications to the contract that was recently awarded for an upsize in gravity sewer to the North Basin for Contract 4. The contract originally accounted for a 12in gravity line upsizing. But following interest from new projects such as M/I Homes and Kolter Homes, our engineers recommend increasing the diameter of the gravity line to 15in. The change order represents an increase of \$84,475.00 or approximately 8% of the total project costs. This project, including the proposed change order, is fully funded by existing System Development Fees. City Manager Cesar Correa presented the 2024 Council Meeting Dates and 2024 City Holiday Schedule. City Manager Cesar Correa Thanked the entire staff for a great year.

M/S/A Council Members Larry Baucom and Harry Fletcher (6-0)
Motion to approve change order 1 for the North Basin Contract 4

M/S/A Council Members Larry Baucom and Harry Fletcher (6-0)
Motion to approve purchase orders

M/S/A Council Members Larry Baucom and Harry Fletcher (6-0)
Motion to approve budget amendments

M/S/A Council Members Harry Fletcher and Roger Hypes (6-0)
Motion to adopt 2024 Council Meeting Dates

M/S/A Council Members Harry Fletcher and Larry Baucom (6-0)
Motion to adopt 2024 City Holiday Schedule

Change Order - North Basin Sewer Improvements, Contract 4

2024 Council Meeting Dates

2024 Holiday Schedule

Purchase Orders

Budget Amendments

8. Administration/HR

Nothing to report at this time

9. Parks

Reindeer bells are in the park and Santa's mailbox will stay up until Christmas Eve. Light up Locust map is up. Great job to the entire parks department for their hard work on the Tree Lighting event and the Christmas parade

10. Facilities

On 12/6 the City held a drop-in session for the seniors to hear from the architects designing the new facility. Seniors voted from November 20th through yesterday on different compotes and features. Following their input period, CPL will have an opportunity to incorporate as much of their wants into a schematic design for the new facility. As soon as preliminary designs are available, they will be shared with the community for additional input prior to final design approval.

11. Public Works

Public Works has had a great year

Wastewater Flow Tracking - November 2023

12. ABC, Economic Development & Small Business Support

Nothing to report at this time

13. Public Safety

Welcome to new officer, Officer Paul Dover. November statistics report was reviewed by Council Member Roger Hypes. Officer of the month for November was Officer Adam Hartsell. All of the officer just completed their annual firearms qualifying and the average of the entire department was over 96% which is well above the 70% mandated for the state of North Carolina. This year was the 9th year for the annual Shop with a Cop that had an impact on 15 children and their families. Officer Tim Flieger Jr received a letter of accomodation from a citizen for going above and beyond the call of duty.

LPD November 2023 Summary

14. Planning & Zoning

Council Member Haigler reviewed the monthly activity report. The P&Z Board has a number of seats coming up for re-appointment. Fortunately, all of the incumbent members wish to continue participating on this board. We are asking that the following members Tim Fesperman, James Baucom, Joseph Abbatiello, and Lanna Thomas be reappointed to the P&Z Board. Board Member Todd Stutts resigned from the board last month after relocating to the Oakboro. We are also recommending that De-Dee Nathan be appointed a full member, thus leaving an alternate member vacancy. We will open application period for P&Z alternate vacancy with your approval. FYI, we anticipate Dillon Beatty to resign in 2024; he will be relocating to Stanfield. The Planning & Zoning Board had its busiest year ever with 13 conditional rezoning cases. On November 28th we treated the members to an appreciation dinner at the Local Room to thank them for their service in 2023. Council should be proud of the Board's efforts this year. Their input led to a number of helpful changes to plans prior to arriving to City Council for approval. Conditional rezoning request and presentation was given by QuikTrip. This project received a favorable recommendation from Locust Planning & Zoning Board. Public Hearing was opened following the QT presentation: Talon Penrose, Crossroads subdivision spoke in favor of the proposed QT.

Conditional rezoning request and presentation was given by Taylor morrison for the Bell Ave proposed project. This project received a favorable recommendation from Locust Planning & Zoning Board. In addition, there was a recommendation to extend a connection to Oakdale Drive for additional access. Developer studied the possibility of Oakdale Drive connection, which proved difficult for their development goals. Instead, they presented comprehensive traffic improvements to access on Hwy 24/27 that were well-received by NCDOT. NCDOT is studying an RCI (Reduce Conflict Intersection) at Ray Kennedy Drive, and they believe this traffic improvement helps the chances of the RCI project being approved. Public Hearing was opened following the Taylor Morrison presentation: No one spoke for or against

On November 28th the Planning & Zoning Board voted unanimously to present City Council with a favorable recommendation for the proposed [Kolter Homes Cresswind project](#). We are requesting Council to schedule a public hearing for the January 11, 2024 meeting. At that time, Council will hear a presentation from Kolter Homes, will hold a public hearing on the conditional rezoning, and proceed with discussion and vote.

There are 2 (two) property owners, whose properties are under contract for purchase with Kolter Homes, filing petitions for voluntary annexation. B&C Land Farming LLC and Mr. & Mrs. Kevin O'Connor. Council needs to instruct the City Clerk, by resolution, to investigate the sufficiency of these petitions. Council will receive certification results during the January 11th meeting, and assuming they meet the requirements for voluntary annexation, then Council will schedule a public hearing for February 8th and then vote on them. These annexations are site-specific conditions for the Kolter Homes conditional rezoning application.

Last month P&Z Director Scott Efird, Council Member Larry Baucom and I met with Larry Huneycutt. Mr. Huneycutt currently owns the house and land where the Dabb's house is located (corner of S Central and Hwy 24/27). Mr. Huneycutt has made the commitment to 1) donate the house and 2) physically relocate the house to a new location at his expense. However, someone else will have to be responsible for grading a pad for the new house that will also require a new foundation. In conversations with Chris Mooney from Stanly County Building Inspections, we also know that an architect will be needed to inspect the integrity of the house and design appropriate repairs. We are working with a local builder to obtain a quote for the grading, foundation, and repairs budget for relocation next to the community building off Officer Jeff Shelton Drive. At this time, I

would anticipate the work in the \$300k to \$400k range. The relocation must take place before QT closes on the property in April 2024.

M/S/A Council Member Michael Haigler (no second needed) (6-0)

Motion to approve the conditional rezoning request for QuikTrip designating the subject property as City Center – Conditional (CC-C) with the associated site plan and proposed elevations, to be consistent with the 2014 Land Use Plan

M/S/A Council Members Michael Haigler and Harry Fletcher (6-0)

Motion to defer vote on the Bell Ave, Taylor Morrison conditional rezoning until the next available meeting.

M/S/A Council Members Michael Haigler and Harry Fletcher (6-0)

Motion to reappoint the following members to the P&Z Board, Tim Fesperman, James Baucom, Joseph Abbatiello, and Lanna Thomas

M/S/A Council Members Michael Haigler and Roger Hypes (6-0)

Motion to appoint De-Dee Nathan to fill the vacant seat left by Todd Stutts when he resigned due to moving out of Locust

M/S/A Council Members Michael Haigler and Harry Fletcher (6-0)

Motion to schedule a public hearing for January 11th for the Kolter Homes/Cresswinds project

M/S/A Council Members Michael Haigler and Harry Fletcher (6-0)

Motion to adopt a resolution to investigate the sufficiency of the annexation petition submitted by B&C Land Farming, LLC

M/S/A Council Members Michael Haigler and Harry Fletcher (6-0)

Motion to adopt a resolution to investigate the sufficiency of the annexation petition submitted by Kevin & Kelly O'Connor

M/S/A Council Members Michael Haigler and Roger Hypes (6-0)

Motion to allow the City to advertise for an alternate for the P&Z Board and accept applications

Monthly Report - November 2023

Planning & Zoning Board Appointments

Conditional Rezoning - QT

Conditional Rezoning - Taylor Morrison at Belle Ave.

Schedule Public Hearing - Kolter Homes, Cresswind at Rocky River

Petitions for Voluntary Annexation

Dabb's House Preservation

15. Public Comment Period:

Charles Cline Maple Street asked Council to look at updating or creating an ordinance around firearm discharge and target shooting.

Gary Tucker with the Locust Museum spoke about preserving the Dabbs House

County Commissioner Peter Asciutto spoke about the Elfie 5k. Locust Leprechaun 5k is coming and there will be a lot of participants. He also spoke on several accomplishments with the county and the upcoming election.

16. Board Closing Comments

Thank you to all those who came out tonight. Thank you to Commissioner Asciutto for the updates. Thank you to Gary Tucker and thank you for all of his work at the museum. Thank you to Mr. Cline for voicing his concern. Take time this season to help others. Merry Christmas and Happy New Year to all.

17. Executive Session

M/S/A Council Members Harry Fletcher and Roger Hypes (6-0)

Motion to enter into executive session at 9:40pm

GS: 143-318.11 (4)(5)

Out of executive session at 10:29

M/S/A Council Members and (6-0)

Motion to approve and instruct Cesar Correa to continue with conversations for property acquisition

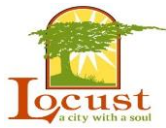
18. Adjourn

M/S/A Council Members Harry Fletcher and Rusty Efird (6-0)

Motion to adjourn at 10:30pm

Amy Furr, City Clerk

Stephen Huber, Mayor



CITY OF LOCUST
FINANCIAL SUMMARY REPORT - December 31, 2023
FISCAL YEAR ENDING 6/30/2024

GENERAL FUND

	ACTUAL FY '22/'23	CURRENT BUDGET	ACTUAL 6/30/2024	Y-T-D % COLLECTED
REVENUES				
PROPERTY TAXES	\$ 2,475,800	\$ 2,000,000	\$ 1,919,524	95.98%
VEHICLE TAXES/DMV VEHICLE FEES	\$ 48,124	\$ 40,000	\$ 20,290	50.73%
FRANCHISE TAXES	\$ 227,819	\$ 190,000	\$ 112,505	59.21%
SALES TAXES	\$ 1,598,424	\$ 1,100,000	\$ 577,183	52.47%
CABLE VISION FRANCHISE	\$ 20,399	\$ 17,500	\$ 10,153	58.02%
SOLID WASTE	\$ 278,501	\$ 250,000	\$ 224,552	89.82%
BUSINESS REGISTRATION/PERMITS	\$ 91,170	\$ 10,000	\$ 20,960	209.60%
POWELL FUND	\$ 145,838	\$ 145,100	\$ 168,427	116.08%
ALL OTHER REVENUES	\$ 1,048,095	\$ 525,279	\$ 528,771	100.66%
	\$ 5,934,171	\$ 4,277,879	\$ 3,582,365	83.74%

	ACTUAL FY '22/'23	CURRENT BUDGET	ACTUAL 6/30/2024	Y-T-D % SPENT
EXPENDITURES				
GENERAL ADMINISTRATION GOV'T	\$ 654,148	\$ 690,750	\$ 401,774	58.16%
CENTRAL SERVICES	\$ 74,203	\$ 74,480	\$ 33,550	45.05%
PUBLIC SAFETY	\$ 1,474,518	\$ 1,750,599	\$ 963,489	55.04%
PUBLIC WORKS	\$ 689,175	\$ 386,050	\$ 228,705	59.24%
POWELL FUND/STREETS	\$ 142,311	\$ 322,000	\$ 143,302	44.50%
SANITATION	\$ 512,840	\$ 500,000	\$ 216,676	43.34%
PARKS & RECREATION	\$ 471,788	\$ 553,000	\$ 291,627	52.74%
CONTRIBUTION TO WASTE WATER FUND	\$ -	\$ -	\$ -	0.00%
CAPITAL PROJECT FUND	\$ -	\$ -	\$ -	0.00%
ECONOMIC DEVELOPMENT	\$ -	\$ 1,000	\$ -	0.00%
TRANSFER TO WASTE WATER	\$ -	\$ -	\$ -	0.00%
DEBT SERVICE	\$ -	\$ -	\$ -	0.00%
GENERAL FUND RESERVE	\$ -	\$ -	\$ -	0.00%
	\$ 4,018,982	\$ 4,277,879	\$ 2,279,123	53.28%
Y-T-D FUND BALANCE INCREASE	\$ 1,915,189	\$ -	\$ 1,303,242	

Sales Tax Revenue Summary

July 2023	\$ 148,794.48	rec'd 9/15/2023
Aug 2023	\$ 141,641.90	rec'd 10/4/2023
Sept 2023	\$ 151,416.62	rec'd 11/14/2023
Oct 2023	\$ 135,329.53	rec'd 12/14/2023

ABC Income Summary

July 2023	\$ 20,340.17	
August 2023	\$ 3,215.25	LEO 4th QTR
August 2023	\$ 20,340.17	rec'd 9/1/2023
September 2023	\$ 34,086.91	FYE 2022-2023 Dist.
September 2023	\$ 20,340.17	rec'd 10/2/2023
Oct 2023	\$ 20,340.17	
Nov 2023	\$ 20,340.17	
Nov 2023	\$ 382.41	LEO 1st QTR
Dec 2023	\$ 20,340.17	

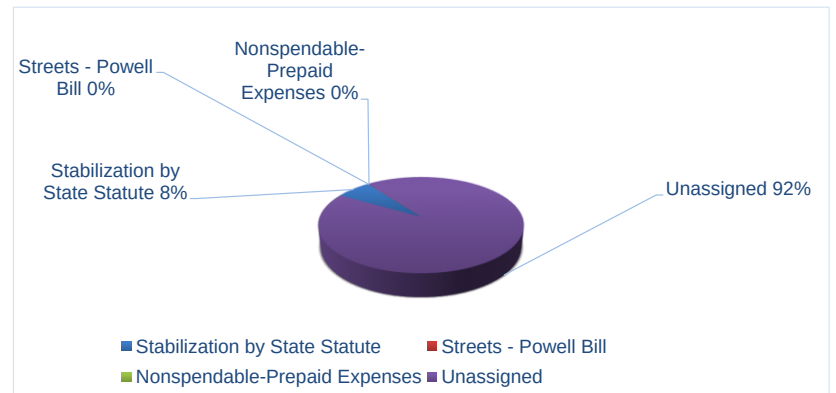
WASTE WATER FUND

	ACTUAL FY '22/'23	CURRENT BUDGET	ACTUAL 6/30/2024	Y-T-D % COLLECTED
REVENUES				
MISC INCOME	\$ 330	\$ 1,000	\$ 7,259	725.88%
INTEREST INCOME	\$ 75,741	\$ 7,296	\$ 56,277	771.34%
NEW DEV SEWER TAP FEES	\$ 532,500	\$ 100,000	\$ 12,500	0.00%
AVAILABILITY FEES	\$ 128,790	\$ 115,000	\$ 64,172	12.50%
USER FEES	\$ 1,523,239	\$ 1,000,000	\$ 842,086	84.21%
SYSTEM DEVELOPMENT FEE	\$ 535,000	\$ 102,278	\$ 70,700	55.80%
FUND BALANCE RESERVES	\$ -	\$ -	\$ -	0.00%
WASTEWATER RESERVES	\$ -	\$ -	\$ -	0.00%
OTHER FEE INCOME	\$ 200	\$ -	\$ 40	0.00%
	\$ 2,795,800	\$ 1,325,574	\$ 1,053,033	79.44%

	ACTUAL FY '22/'23	CURRENT BUDGET	ACTUAL 6/30/2024	Y-T-D % SPENT
EXPENDITURES				
ADMINISTRATION	\$ 314,790	\$ 346,714	\$ 178,886	51.59%
WASTE COLLECTION & TREATMENT	\$ 540,144	\$ 976,582	\$ 141,308	14.47%
CAPITAL PROJ - REDAH/N BASIN PS	\$ (0)	\$ 2,278	\$ 3,282	0.00%
TRANSFER CAPITAL RESERVE	\$ -	\$ -	\$ -	#DIV/0!
DEBT SERVICE	\$ -	\$ -	\$ -	0.00%
	\$ 854,934	\$ 1,325,574	\$ 323,476	24.40%
Y-T-D FUND BALANCE INCREASE	\$ 1,940,866	\$ -	\$ 729,557	0.00%

GENERAL FUND INVESTMENT POSITIONS

Total Fund Balance	6/30/2023
Stabilization by State Statute	\$ 391,830
Streets - Powell Bill	\$ 5,794
Nonspendable-Prepaid Expenses	\$ -
Unassigned	\$ 5,582,234
Subtotal	\$ 5,979,858



CITY OF LOCUST, NORTH CAROLINA

Audit Report Summary

(For Management Purposes Only)

For the Year Ended June 30, 2023



Strickland Hardee PLLC

Certified Public Accountants

236 East Center Street, Lexington, NC 27292 • (336) 843-4409 • info@shcpa.cpa

CITY OF LOCUST, NORTH CAROLINA
Audit Report Summary
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Services Performed

- Annual audit of financial statements
- Assistance with the preparation of the Financial Statements
- Report to management on observations and recommendations for improvements
- Consultation on accounting matters as requested
- Attendance at Board meetings/committee meetings as requested

Auditor Independence

Auditor independence is assessed in accordance with Government Auditing Standards. Government Auditing Standards, 2018 Revision (2018 Yellow Book) states that an audit organization or the individual auditor must be independent. Independence includes both independence of mind and independence in appearance. No events have occurred to impair our independence during the current year's audit.

Opinions

Basic Financial Statements

We expressed an **unmodified opinion** (the best opinion you can get) on the fair presentation of the basic financial statements.

Required Supplemental Information

Required supplemental information consist of:

- Management's Discussion and Analysis
- Schedule of Changes in the City's Separation Allowance – LEOSSA
- Schedule of the City's Total Separation Allowance as a Percentage of Covered Payroll – LEOSSA
- Schedule of the City's Proportionate Share of Net Pension Liability (Asset) – LGERS
- Schedule of the City's Contributions – LGERS

We applied certain limited procedures on the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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Individual Fund Statements and Schedules

We were engaged to report on the budget and actual schedules and other tax schedules which accompany the financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America. The budget and actual schedules, except for the General Fund, do not comply with accounting principles generally accepted in the United States of America, however, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information

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

Deficiencies and Recommendations:**Material Weakness**

None noted

Significant Deficiencies

None noted

Other Recommendations

None noted

Contacts:**Travis Hardee, CPA**

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Phone: (336) 843-4409

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Strickland Hardee PLLC

Certified Public Accountants

INTEGRITY MEETS TRUST

December 13, 2023

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Locust, North Carolina for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards*), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note I to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the City's financial statements were:

Management's estimate of the depreciation is based on the estimated useful life of the asset. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the current portion of compensated absences is based on historical experience. We evaluated the key factors and assumptions used to develop the current portion of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 13, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, and pension schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP) – Wastewater Fund, the Schedule of Ad Valorem Taxes Receivable, and the Analysis of Current Tax Levy – City-Wide Levy, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Strickland Hardee PLLC

Lexington, North Carolina



Strickland Hardee PLLC

Certified Public Accountants

INTEGRITY MEETS TRUST

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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregately discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Locust, North Carolina as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Locust, North Carolina's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Locust, North Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Locust, North Carolina's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of management, the City Council, others within the City of Locust, North Carolina, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

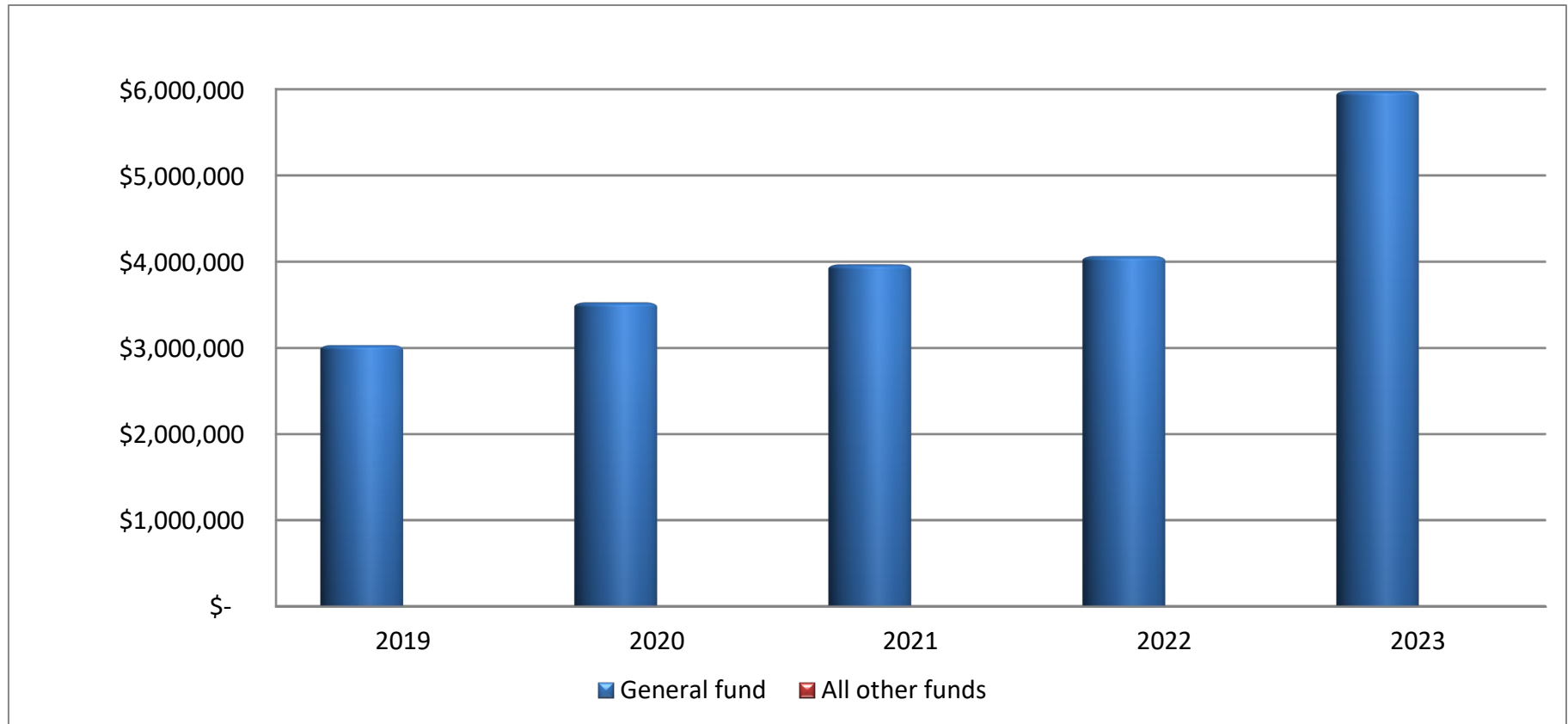
Strickland Hardee PLLC

Lexington, North Carolina
December 13, 2023

CITY OF LOCUST, NORTH CAROLINA
TRENDS
FYE 6/30/2023

FOR MANAGEMENT PURPOSES ONLY

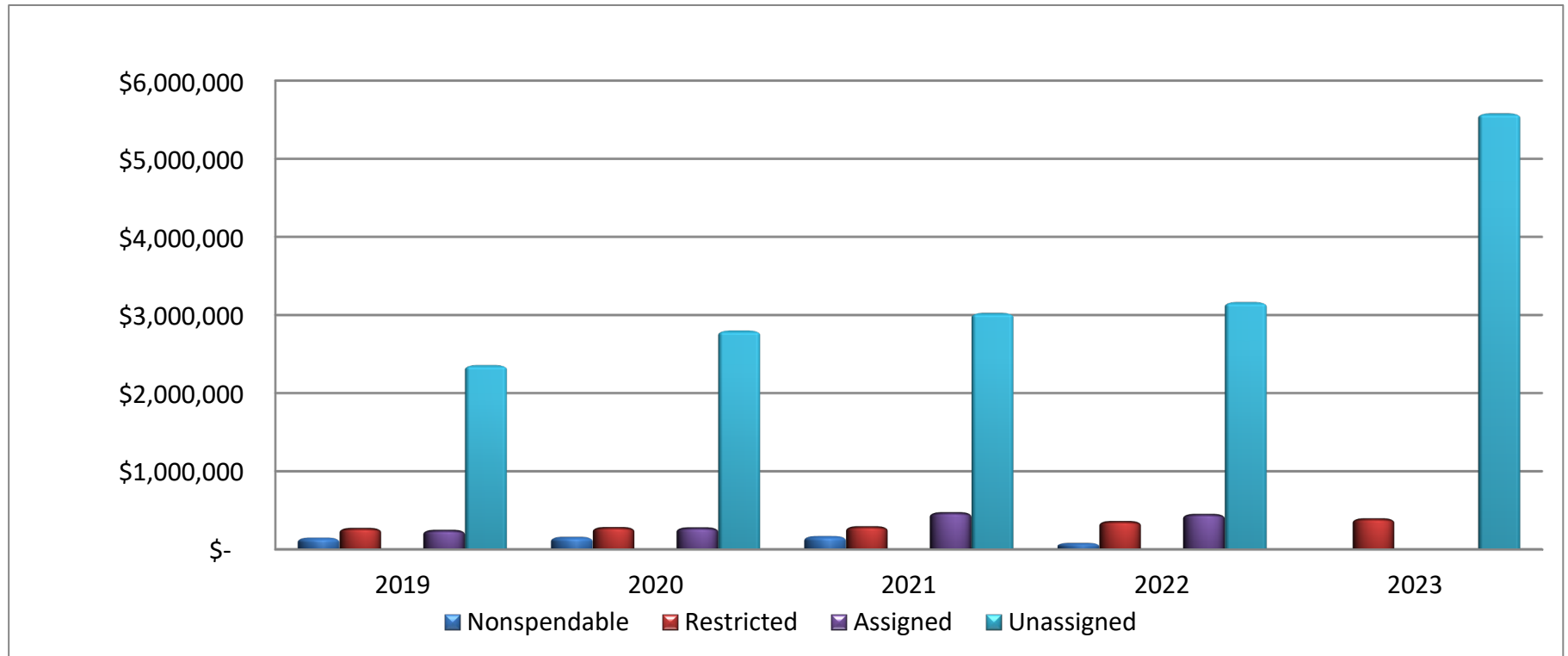
CITY OF LOCUST, NORTH CAROLINA
Governmental Fund Balance
Last Five Fiscal Years



	2019	2020	2021	2022	2023
General fund	\$ 3,033,528	\$ 3,528,591	\$ 3,969,075	\$ 4,064,669	\$ 5,979,858
All other funds	-	-	-	-	-
	<u>\$ 3,033,528</u>	<u>\$ 3,528,591</u>	<u>\$ 3,969,075</u>	<u>\$ 4,064,669</u>	<u>\$ 5,979,858</u>

FOR MANAGEMENT PURPOSES ONLY

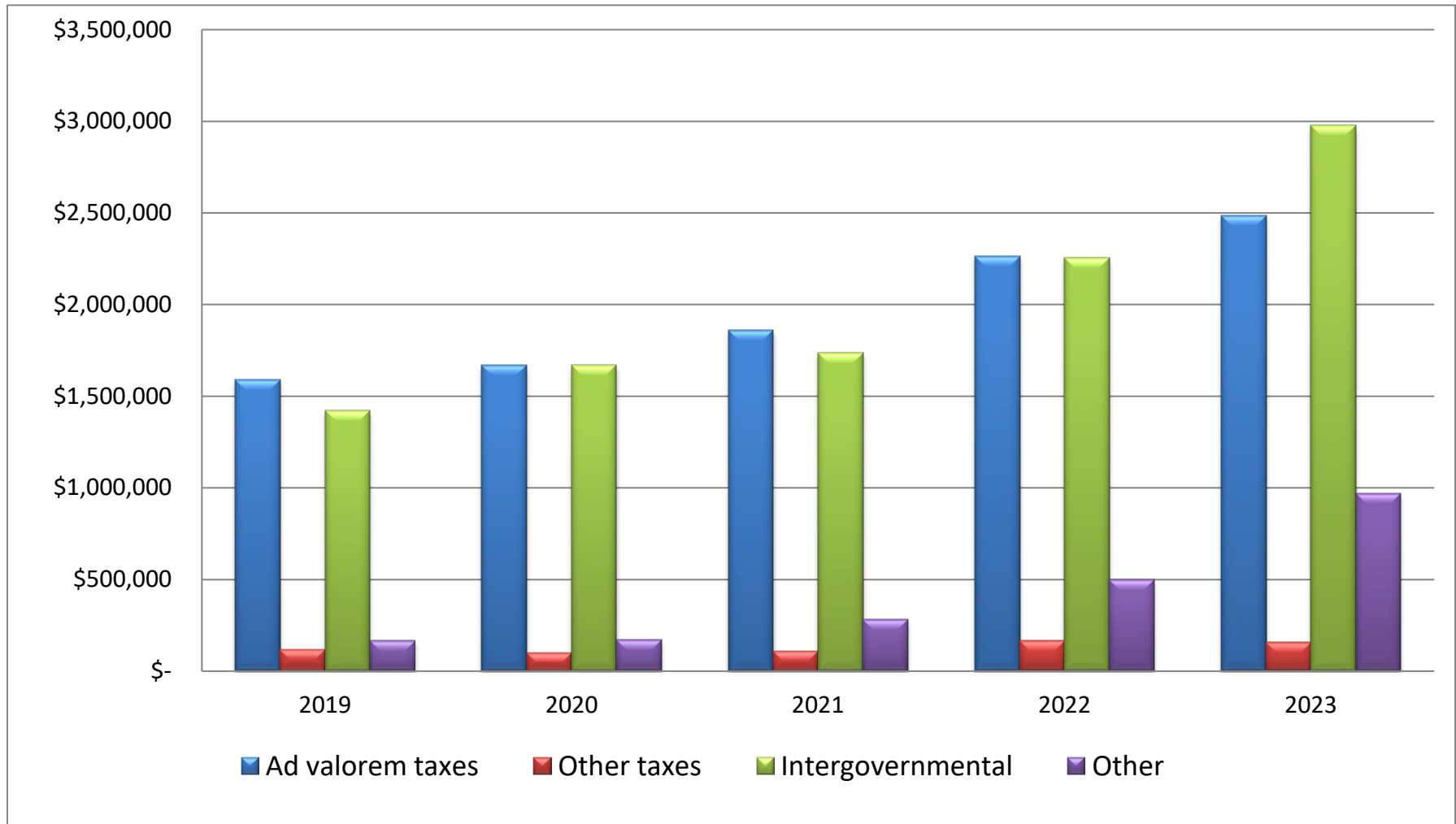
CITY OF LOCUST, NORTH CAROLINA
Governmental Fund Balance by Category
Last Five Fiscal Years



	2019	2020	2021	2022	2023
Nonspendable	\$ 149,570	\$ 160,156	\$ 170,021	\$ 82,021	\$ -
Restricted	274,497	285,386	296,069	362,952	397,624
Assigned	250,198	281,454	475,663	453,822	-
Unassigned	2,359,263	2,801,595	3,027,322	3,165,874	5,582,234
	<u>\$ 3,033,528</u>	<u>\$ 3,528,591</u>	<u>\$ 3,969,075</u>	<u>\$ 4,064,669</u>	<u>\$ 5,979,858</u>

FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
Governmental Revenues by Source
Last Five Fiscal Years



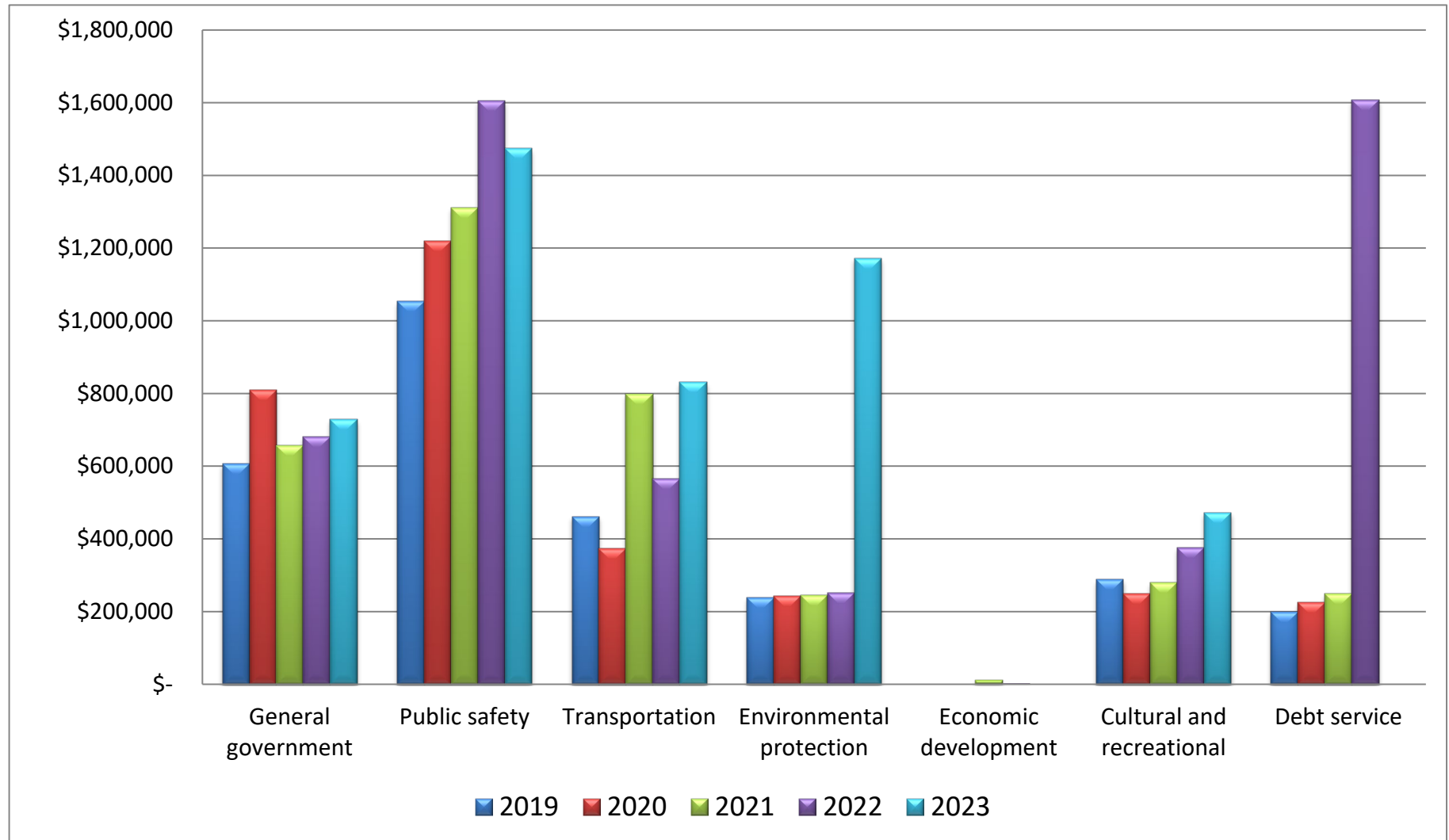
FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
Governmental Revenues by Source
Last Five Fiscal Years

Year Ended June 30	2019	2020	2021	2022	2023
Revenues					
Ad valorem taxes	\$ 1,587,954	\$ 1,669,419	\$ 1,862,120	\$ 2,261,627	\$ 2,486,346
Other taxes	118,449	98,965	110,450	166,316	159,693
Intergovernmental	1,420,829	1,669,303	1,733,996	2,256,236	2,977,802
Other	167,687	172,738	282,954	497,562	969,325
Total revenues	<u>\$ 3,294,919</u>	<u>\$ 3,610,425</u>	<u>\$ 3,989,520</u>	<u>\$ 5,181,741</u>	<u>\$ 6,593,166</u>

FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
Governmental Expenditures
Last Five Fiscal Years



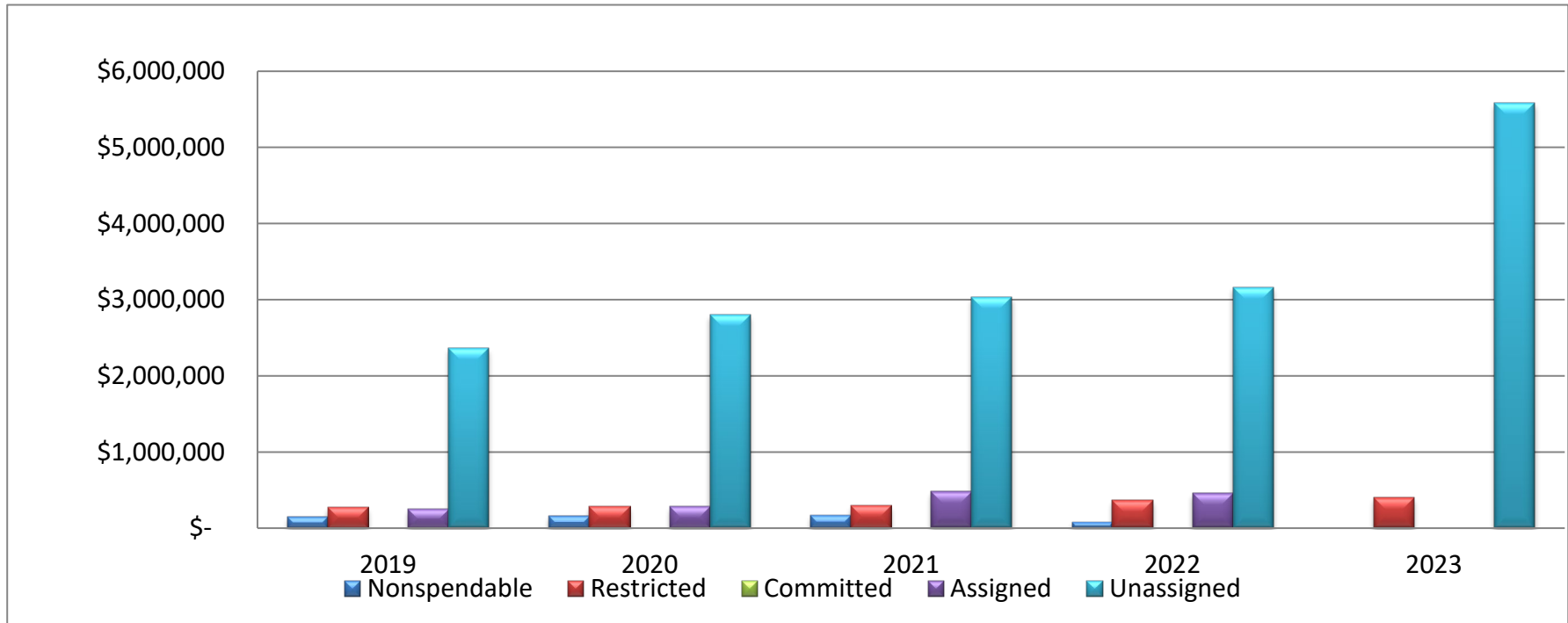
FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
Governmental Expenditures
Last Five Fiscal Years

Year Ended June 30	2019	2020	2021	2022	2023
Expenditures					
General government	\$ 605,576	\$ 809,146	\$ 656,312	\$ 679,928	\$ 728,352
Public safety	1,052,652	1,218,545	1,311,067	1,605,245	1,474,519
Transportation	460,908	372,940	797,362	564,943	831,487
Environmental protection	238,673	242,970	245,742	250,231	1,171,835
Economic development	-	-	10,267	2,103	-
Cultural and recreational	288,242	248,070	279,596	376,279	471,784
Debt service	198,692	223,692	248,692	1,607,417	-
Total expenditures	<u>\$ 2,844,743</u>	<u>\$ 3,115,363</u>	<u>\$ 3,549,038</u>	<u>\$ 5,086,146</u>	<u>\$ 4,677,977</u>

FOR MANAGEMENT PURPOSES ONLY

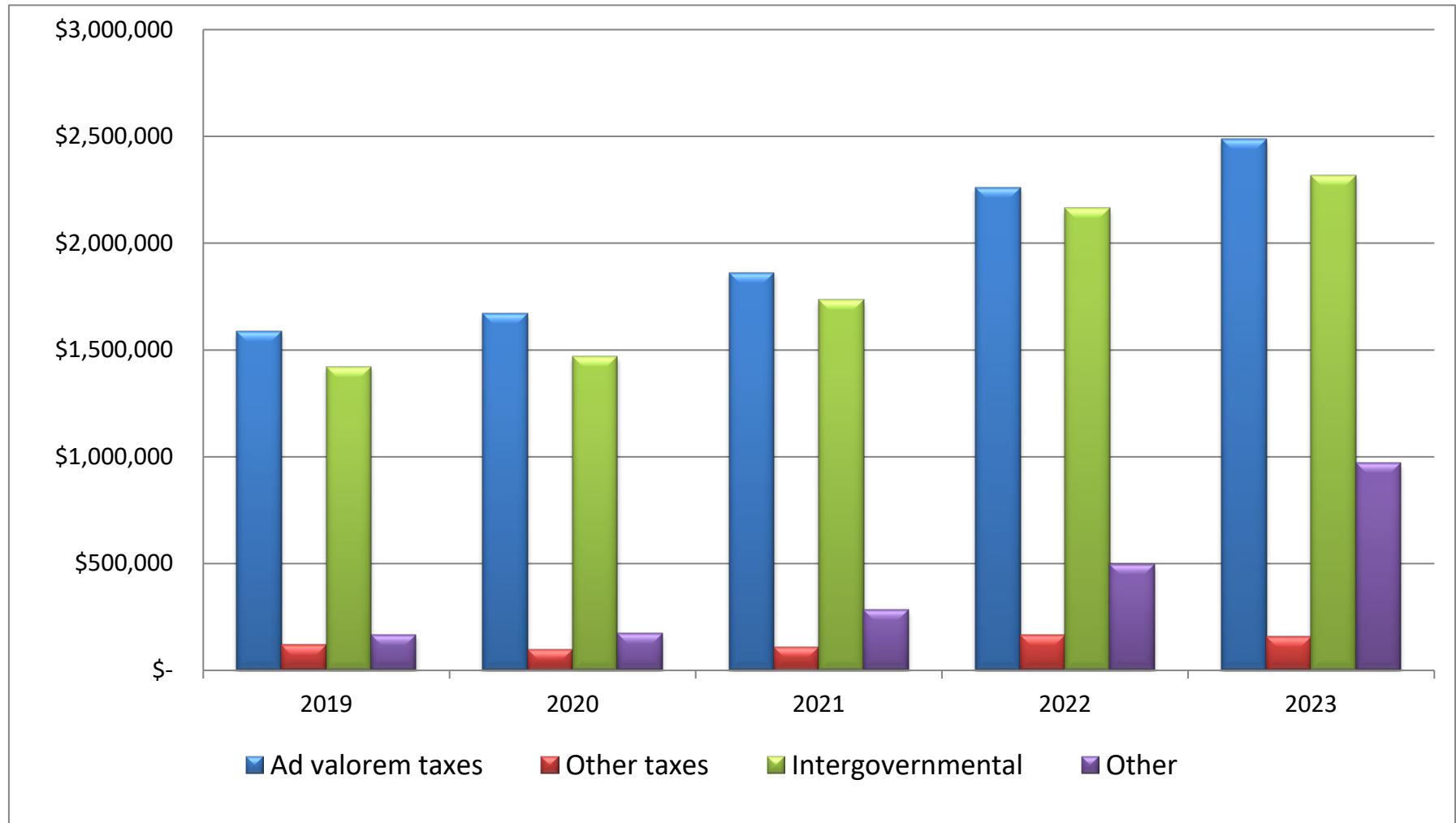
CITY OF LOCUST, NORTH CAROLINA
General Fund's Fund Balance
Last Five Fiscal Years



	2019	2020	2021	2022	2023
Nonspendable	\$ 149,570	\$ 160,156	\$ 170,021	\$ 82,021	\$ -
Restricted	274,497	285,386	296,069	362,952	397,624
Committed	-	-	-	-	-
Assigned	250,198	281,454	475,663	453,822	-
Unassigned	2,359,263	2,801,595	3,027,322	3,165,874	5,582,234
	<u>\$ 3,033,528</u>	<u>\$ 3,528,591</u>	<u>\$ 3,969,075</u>	<u>\$ 4,064,669</u>	<u>\$ 5,979,858</u>

FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
General Fund Revenues by Source
Last Five Fiscal Years



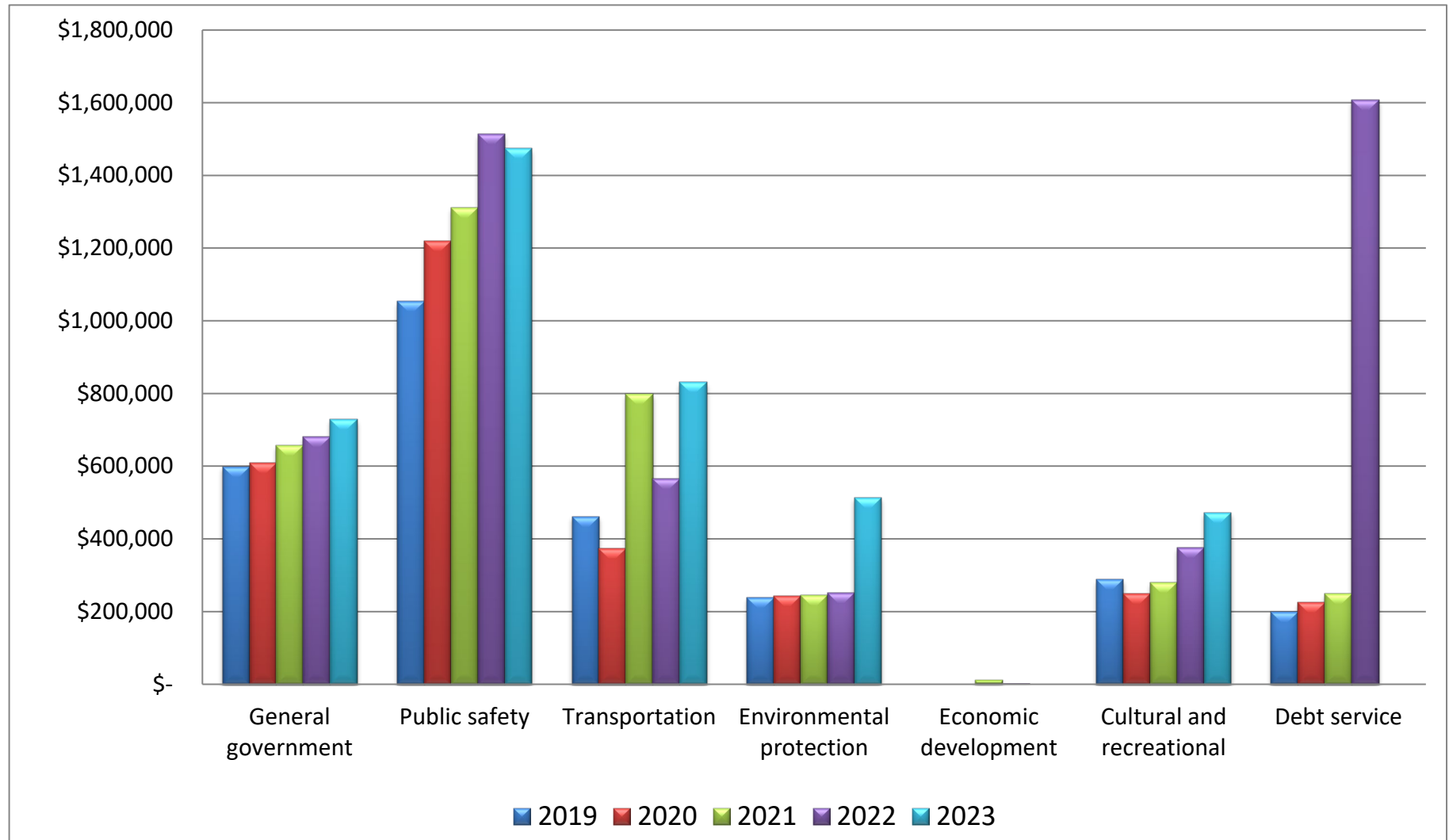
FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
General Fund Revenues by Source
Last Five Fiscal Years

Year Ended June 30	2019	2020	2021	2022	2023
Revenues					
Ad valorem taxes	\$ 1,587,954	\$ 1,669,419	\$ 1,862,120	\$ 2,261,627	\$ 2,486,346
Other taxes	118,449	98,965	110,450	166,316	159,693
Intergovernmental	1,420,829	1,469,658	1,733,996	2,164,220	2,318,807
Other	167,687	172,738	282,954	497,562	969,325
Total revenues	<u>\$ 3,294,919</u>	<u>\$ 3,410,780</u>	<u>\$ 3,989,520</u>	<u>\$ 5,089,725</u>	<u>\$ 5,934,171</u>

FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
General Fund Expenditures
Last Five Fiscal Years



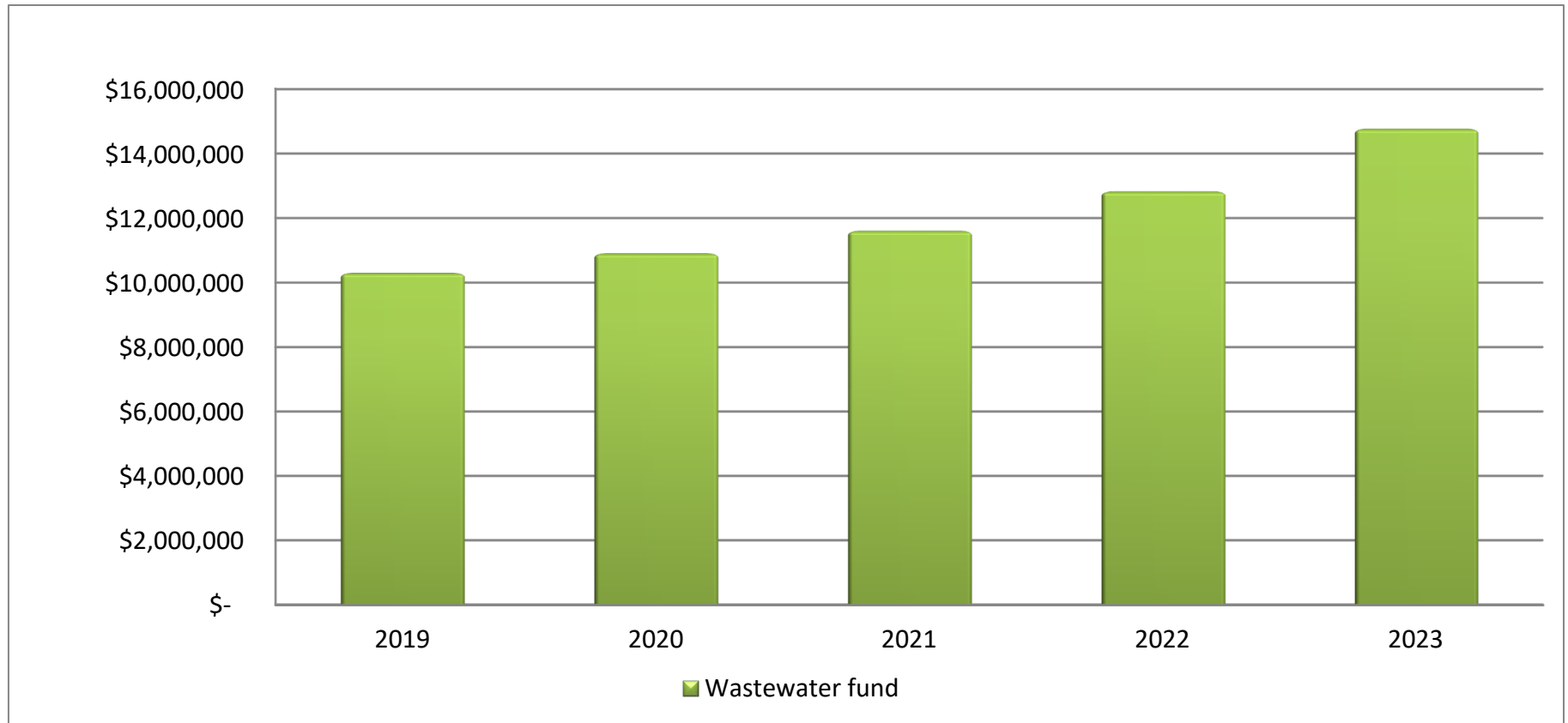
FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
General Fund Expenditures
Last Five Fiscal Years

Year Ended June 30	2019	2020	2021	2022	2023
Expenditures					
General government	\$ 598,409	\$ 609,501	\$ 656,312	\$ 679,928	\$ 728,352
Public safety	1,052,652	1,218,545	1,311,067	1,513,229	1,474,519
Transportation	460,908	372,940	797,362	564,943	831,487
Environmental protection	238,673	242,970	245,742	250,231	512,840
Economic development	-	-	10,267	2,103	-
Cultural and recreational	288,242	248,070	279,596	376,279	471,784
Debt service	198,692	223,692	248,692	1,607,417	-
Total expenditures	<u>\$ 2,837,576</u>	<u>\$ 2,915,718</u>	<u>\$ 3,549,038</u>	<u>\$ 4,994,130</u>	<u>\$ 4,018,982</u>

FOR MANAGEMENT PURPOSES ONLY

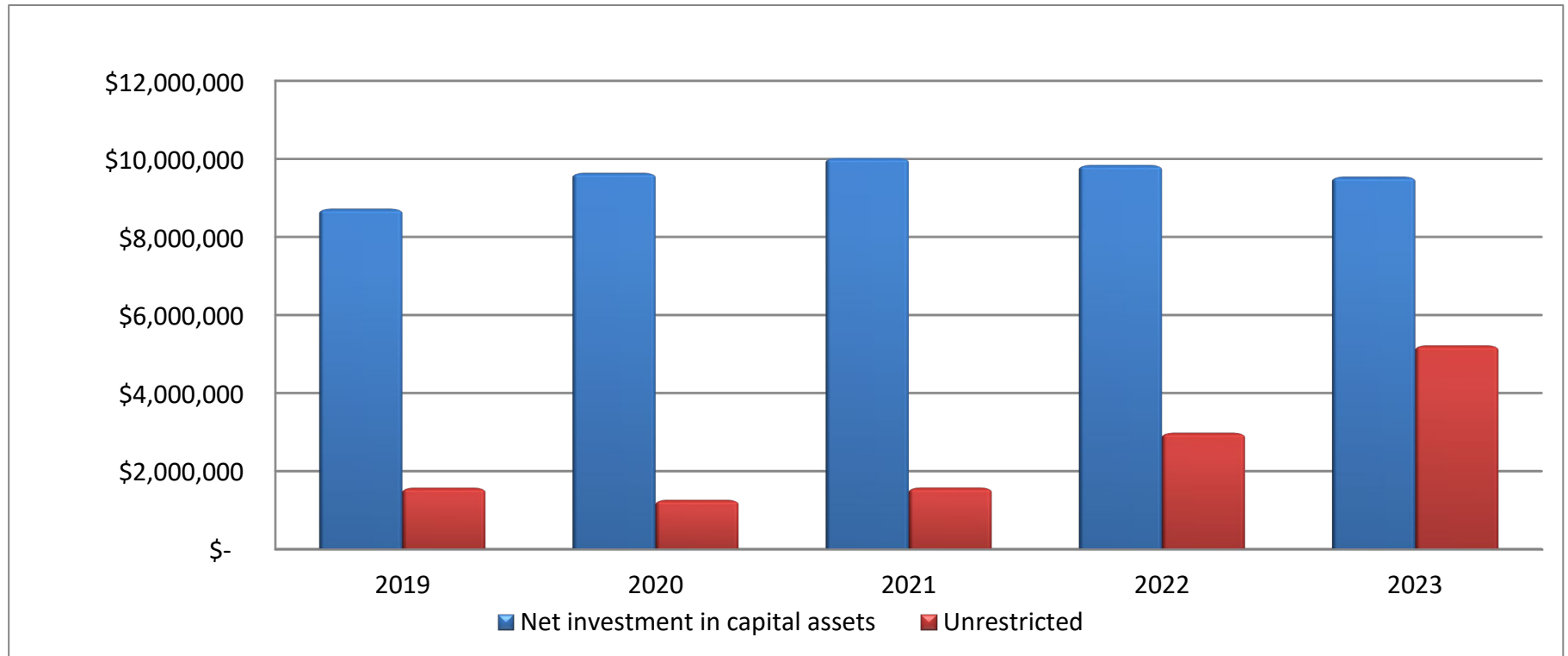
CITY OF LOCUST, NORTH CAROLINA
Wastewater Net Position
Last Five Fiscal Years



	2019	2020	2021	2022	2023
Wastewater fund	\$ 10,297,979	\$ 10,907,173	\$ 11,604,286	\$ 12,824,838	\$ 14,765,704

FOR MANAGEMENT PURPOSES ONLY

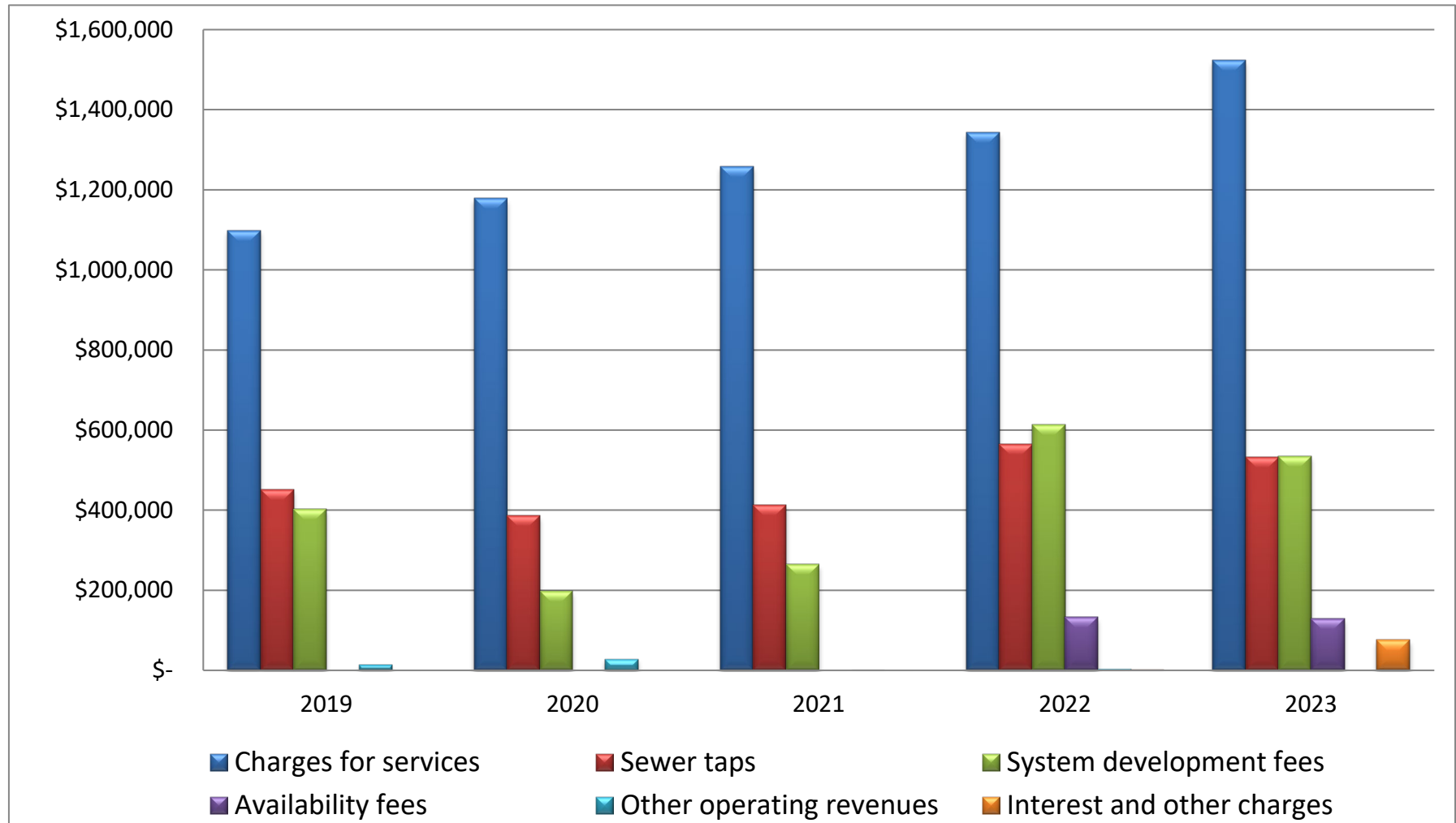
CITY OF LOCUST, NORTH CAROLINA
Wastewater Net Position by Category
Last Five Fiscal Years



	2019	2020	2021	2022	2023
Net investment in capital assets	\$ 8,721,535	\$ 9,641,348	\$ 10,024,403	\$ 9,841,086	\$ 9,544,084
Unrestricted	1,576,444	1,265,825	1,579,883	2,983,752	5,221,620
	<u>\$ 10,297,979</u>	<u>\$ 10,907,173</u>	<u>\$ 11,604,286</u>	<u>\$ 12,824,838</u>	<u>\$ 14,765,704</u>

FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
Wastewater Revenues by Source
Last Five Fiscal Years



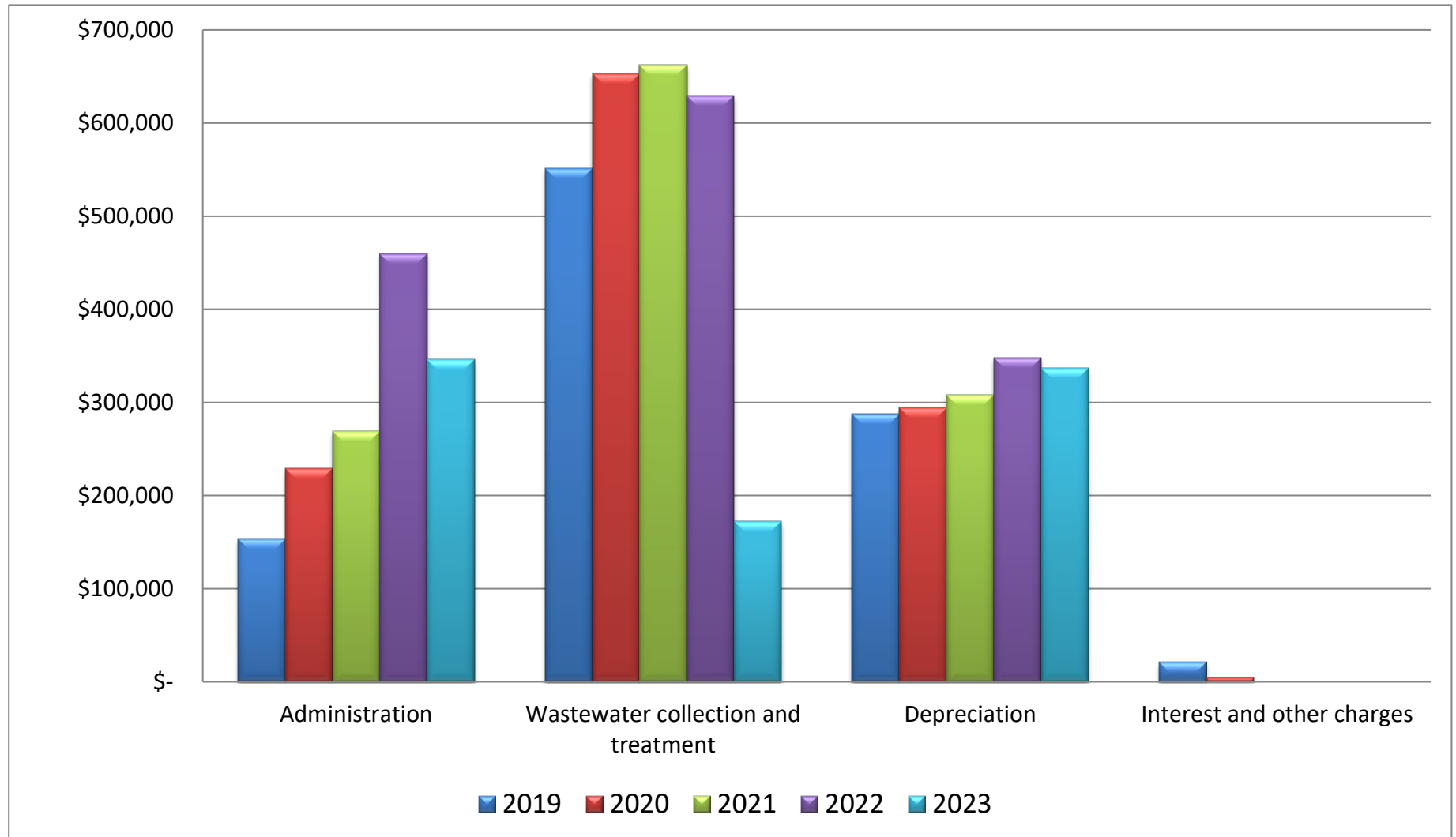
FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
Wastewater Revenues by Source
Last Five Fiscal Years

Year Ended June 30	2019	2020	2021	2022	2023
Revenues					
Charges for services	\$ 1,098,292	\$ 1,178,267	\$ 1,258,117	\$ 1,343,641	\$ 1,523,239
Sewer taps	450,624	386,468	412,808	565,000	532,500
System development fees	402,400	197,500	264,530	612,308	535,000
Availability fees	-	-	-	132,821	128,790
Other operating revenues	13,169	27,971	895	2,487	530
Interest and other charges	-	-	-	1,694	75,741
Total revenues	<u>\$ 1,964,485</u>	<u>\$ 1,790,206</u>	<u>\$ 1,936,350</u>	<u>\$ 2,657,951</u>	<u>\$ 2,795,800</u>

FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
Wastewater Expenses
Last Five Fiscal Years

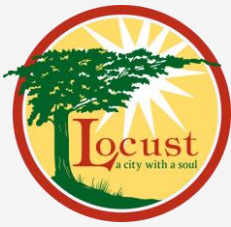


FOR MANAGEMENT PURPOSES ONLY

CITY OF LOCUST, NORTH CAROLINA
Wastewater Expenses
Last Five Fiscal Years

Year Ended June 30	2019	2020	2021	2022	2023
Expenses					
Administration	\$ 153,244	\$ 228,938	\$ 268,511	\$ 459,827	\$ 346,062
Wastewater collection and treatment	551,072	652,991	662,556	629,408	172,112
Depreciation	287,292	294,430	308,169	348,164	336,760
Interest and other charges	21,430	4,652	-	-	-
Total expenditures	<u>\$ 1,013,038</u>	<u>\$ 1,181,011</u>	<u>\$ 1,239,236</u>	<u>\$ 1,437,399</u>	<u>\$ 854,934</u>

FOR MANAGEMENT PURPOSES ONLY



CITY OF LOCUST, NC

ANNUAL COMPREHENSIVE **FINANCIAL REPORT** FOR THE FISCAL YEAR ENDED JUNE 30, 2023



**City of Locust,
North Carolina**

**Annual Comprehensive
Financial Report**

**For the Fiscal Year Ended
June 30, 2023**

**Prepared by:
Stephania Morton, Finance Director
Cesar Correa, City Administrator**



CITY OF LOCUST, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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For the Year Ended June 30, 2023

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COMPLIANCE SECTION

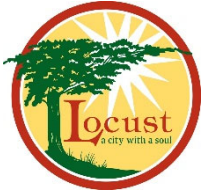
Schedule

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INTRODUCTORY SECTION



City of Locust

Post Office Box 190
Locust, North Carolina 28097-0190
704-888-5260

December 13, 2023

To the Citizens, Mayor, and Council of the City of Locust, North Carolina:

This report was prepared by the Locust Finance Department and is an enhancement to the basic Financial Reports. North Carolina General Statutes - Section 159 requires that each local government produce financial reports annually which are in accordance with Generally Accepted Accounting Principles (GAAP) and that these statements are audited, using Generally Accepted Auditing Standards (GAAS) by an independent firm of Certified Public Accountants. This report fulfills this requirement for the fiscal year ending June 30, 2023.

City management is responsible for both the accuracy of the data and the completeness and fairness of the report. We believe the data is accurate in all material respects and is presented in a manner which fairly reflects the city's financial position. To ensure reliability of the information, town management has established a comprehensive framework of internal controls. Internal controls protect the city's assets from loss, theft and misuse, and provide reliable information for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the city's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, to the best of our knowledge and belief, this financial report is complete, accurate and reliable in all material respects.

As noted earlier, the City of Locust is required by state law to have an annual independent financial audit. Strickland Hardee PLLC, conducted the audit and concluded in an unmodified ("clean") opinion that the financial statements present fairly in conformity with GAAP, in all material respects, the financial position and changes in financial position for the City of Locust, North Carolina, as of June 30, 2023. The independent auditors' report on the basic financial statements is located in the financial section of this report.

Management's discussion and analysis of the basic financial statements (MD&A) accompanies the independent auditors' report and provides a prescribed narrative introduction, overview, and analysis of the basic financial statements. The MD&A is designed to complement, and therefore should be read in conjunction with, this letter of transmittal.

Profile of the Government

The City of Locust was established in western Stanly County in the late 1860's by German, Scot Irish, and English immigrants. The community was known as the "Crossroads". Many travelers came through on the way to Cabarrus, Anson, and Mecklenburg counties.

A central well was dug close to the locust tree to serve the citizens of the community as well as travelers and their livestock as they were traveling through. As many as twenty-five families would do their washing there in a single day since it was the only source of water.

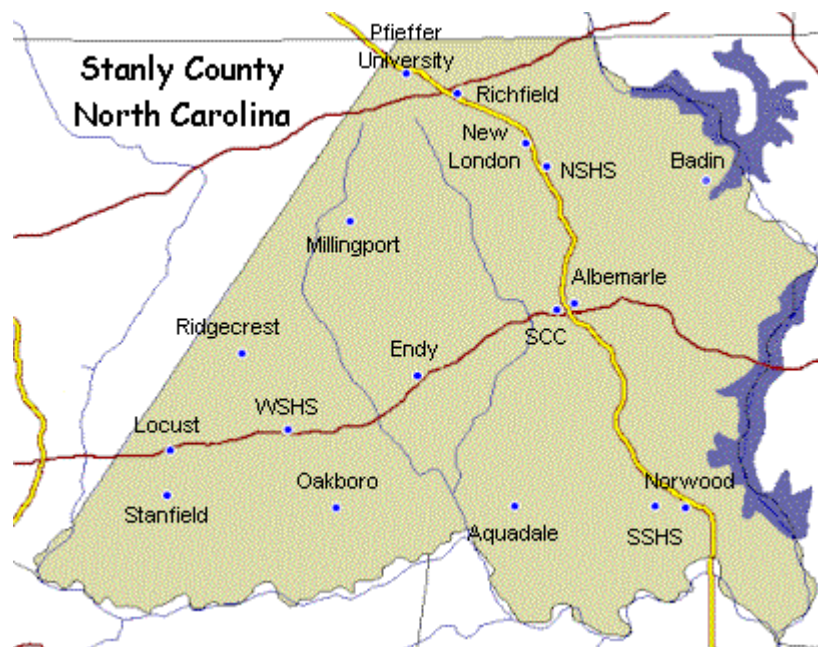
In 1869, population in the "Crossroads" community had increased enough to warrant an application for the establishment of a post office. There was a meeting held to decide on a new name and a young girl in the community, Miss Maggie Howell, was present at the meeting to decide a proper name. Maggie happened to look out at a wooded plot where a large locust tree was in full bloom. Beyond the locust tree, plowed fields laid flat and the reddish clay dirt of the Charlotte Road stretched out level. Miss Howell suggested the name "Locust Level". And it was called Locust Level until May 29, 1894. The Level was dropped, and it was simply called Locust.

Locust still serves as the crossroads to Charlotte, Albemarle, Concord, and Monroe. It is a thriving community and represents opportunity for growth and expansion of businesses.

**Locust is the 2nd largest municipality in Stanly County
and the 298th largest municipality in North Carolina**



Stanly County, North Carolina



Government

The City of Locust operates under the Mayor-Council form of government with a Mayor and seven-member City Council. Elections for the office of Council are held at two-year intervals in November. Elections are non-partisan and all members are elected for four-year terms. The Mayor is elected for a two-year term at the same time elections for City Council are held. All municipal elections are conducted by the Stanly County Board of Elections in accordance with general laws of North Carolina. No primary elections are held.

The City Council sets City policies, enacts ordinances and appoints the City Administrator, Chief of Police, City Clerk, and City Attorney.

The City Administrator acts as the Chief Administrative Officer and administers the daily operations and programs of the municipal government through the department heads, other staff members and employees.

Quality of Life

Located in Stanly and Cabarrus Counties, the City of Locust is situated in a prime location for residential and commercial growth. Our close proximity to I-485, Hwy 24/27, Hwy 601 and Hwy 200 allows Locust residents easy and convenient access to the [Charlotte Douglas International](#), [Stanly County](#), and [Concord Regional Airports](#), the [Charlotte Speedway](#), the [Concord Mills Mall](#), and much more within a short drive!

Locust offers a wide range of public services including public safety, parks & recreation, solid waste & recycling, and sewer utility. Our residents also enjoy many amenities such as our athletic complex, town center, Locust library and more. Visit Locust today to discover what makes our community a wonderful place to live, work and play.

City Council

The City Council acts as the legislative body of the City, and they provide guidance and direction to City staff to meet the goals of the City. As such, the City Council adopts the annual operating budget, which by law is always balanced and which includes a tax rate levied against real property, wastewater rates, and other fees; expenditures on municipal projects and programs, including such capital projects as street improvements, buildings and facilities maintenance and construction; and funds for departmental operations, such as police protection, planning, recreation, and wastewater collection. The City Council is the final authority in adopting laws and rules that govern the City of Locust and provides for the safety and welfare of its citizens and visitors.

Factors Affecting Financial Condition

Local Economy

The city has experienced steady economic growth in the last 10 years. There is hereby levied the rate of tax on each one-hundred-dollar valuation of tangible property both real and personal as listed for taxes as of January 1, 2022, for the purpose of raising revenues for current year's property tax as set forth in the foregoing estimates of revenue, in order to finance the foregoing appropriations: \$0.36 cents per hundred-dollar valuation:

According to the last census, population grew nearly 40% since the 2010 census. More residential units were constructed during this period; however, commercial valuation remained high causing the residential/commercial split to remain relatively the same.

Office space and retail capacity in Locust consistently remains at above 95% occupancy. The Stanly County unemployment rate for June 2022 was 3.6% according to the US Bureau of Labor and Statistics.

Locust looks to continue as a highly desirable location for residents and businesses.

Long-Term Financial Planning and Financial Policy

Strategic Plan

In 2020, The City of Locust marked a milestone with the adoption of the City's first-ever Strategic Plan. The Strategic plan establishes a vision and key strategic priorities that reflect the City Council's direction for sustainable growth.

What is a Strategic Plan?

A Strategic Plan is a document that guides the City as it grows and responds to the evolving needs of residents. This 3-year plan provides direction for maintaining and improving the quality of life that makes the City of Locust, A City With A Soul.

The Strategic Plan was drafted by the City Manager based on feedback from residents, City Council members and staff. It follows best practices from the UNC School of Government and peer communities to build a plan that reflects the values and needs of our community. Upon discussion and consideration, the City Council adopted the first ever Strategic Plan in 2020.

What is the purpose of a Strategic Plan?

The purpose of the City of Locust Strategic Plan is to uphold the City of Locust's Vision, Mission and Core Values.

VISION

Locust is the preferred community where people fulfill their dreams of home, leisure, and work.

MISSION

Our mission is to plan and prioritize for the citizens' well-being
Through equitable and quality services, focusing on cost-efficient government.

CORE VALUES

Preserve our community history
Encourage family values
Maintain quality of life
Stewardship of public resources

Detailed information on the Locust Strategic Plan is available at: www.locustnc.com

In FY 2020, the long-term financial model which has, and will continue to, assist the council members in making sound financial decisions. The model incorporates budget projections for revenues and expenditures, the capital improvement plan (CIP), and fund balance information to allow the city to evaluate major operating and capital expenditures. The council members are able to see the impact of financing on fund balance and required tax rate, as well as peer municipality comparisons and potential bond rating impact.

COVID-19 Pandemic

In March 2020, the COVID-19 pandemic dramatically affected all residents of the City of Locust. The effects of the pandemic on the financial health of the town were not significant, however, the FY2021-2022 budget was developed with a strategy of remaining flexible and responsive to changing economic conditions and impacts. The council members restored revenue based on actual revenue collections in January of 2021. Additionally, the city purchased items to allow staff to continue to provide services safely, including PPE and technology upgrades for remote services and events. In support of the public health of the community, the city also acquired hand sanitizer stations and additional outdoor seating options.

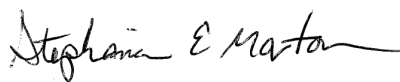
Acknowledgements

This report would not have been possible without the diligence and dedication of our finance department professionals. We appreciate our Management Team for their dedication to providing “high quality services at a reasonable cost,” as without their work, this report would not be necessary. We thank the Mayor and Locust City Council Members, whose dedication to public service and the City of Locust have resulted in the exceptional financial position we are in, and the financial path upon which we are headed. To the citizens of Locust who have entrusted us with the stewardship of their public funds, we say “Thank You”.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Cesar R. Correa', with a stylized, looping flourish at the end.

Cesar R. Correa
City Administrator

A handwritten signature in black ink, appearing to read 'Stephania E. Morton', with a long, horizontal flourish extending to the right.

Stephania E. Morton
Finance Director

City of Locust, North Carolina

List of Principal Officials

City Council

Mayor

Stephen Huber

City Council Members

Larry Baucom (Mayor Pro-Tem)

Rusty Efir

Harry Fletcher

Michael Haigler

Roger Hypes

Barry Sims

Mandy Watson

City Manager

Cesar R. Correa, MPA, ICMA-CM, MCA

City Clerk

Amy L. Furr, CMC, NCCMC

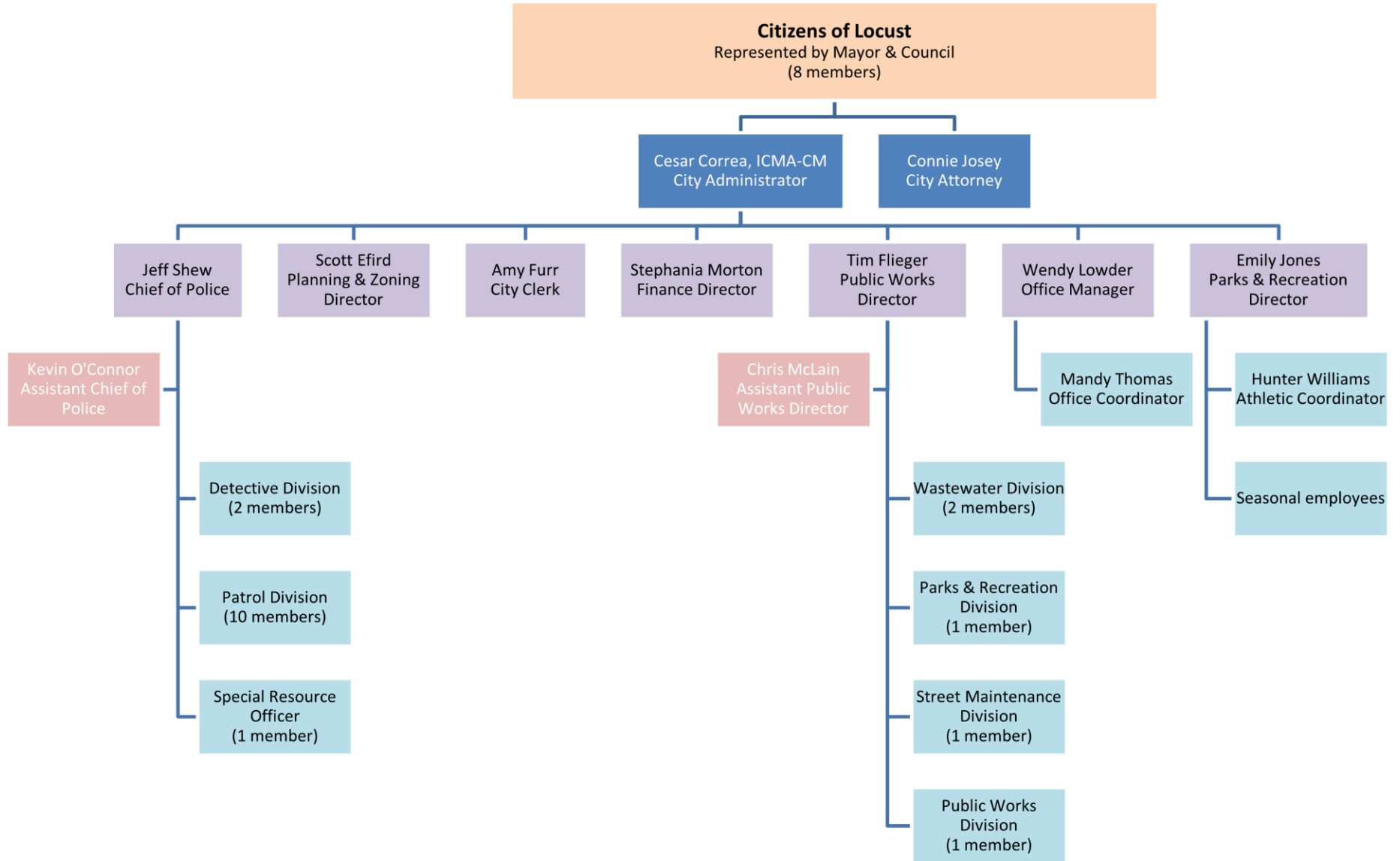
Finance Director

Stephanie E. Morton, MBA, MCA, CLGFO

City Attorney

Connie Josey

Organizational Chart
City of Locust, North Carolina
June 30, 2023





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Locust
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Locust, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Locust, North Carolina's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit and the report of other auditors, the 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 unit, each major fund, and the aggregate remaining fund information of the City of Locust, North Carolina, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Locust Board of Alcoholic Beverage Control ("ABC Board"), which represent 100 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component unit as of June 30, 2023. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is based solely on the report of another auditor.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment 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 City of Locust, North Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Locust, North Carolina's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the City's Local Government Employees' Retirement System and the Law Enforcement Officers' Special Separation Allowance Pension schedules on pages 42 through 45, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and 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 consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Locust, North Carolina's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America 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 individual fund financial statements, the budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

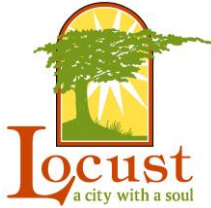
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023, on our consideration of the City of Locust, North Carolina'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 solely 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 the City of Locust, North Carolina'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 City of Locust, North Carolina's internal control over financial reporting and compliance.

Strickland Hardee PLLC

Lexington, North Carolina
December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Locust

Post Office Box 190
Locust, North Carolina 28097-0190
(704) 888-5260

Management's Discussion and Analysis

As management of the City of Locust, we offer readers of the City of Locust's financial statements this narrative overview and analysis of the financial activities of the City of Locust for the fiscal year ended June 30, 2023.

We encourage readers to examine the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

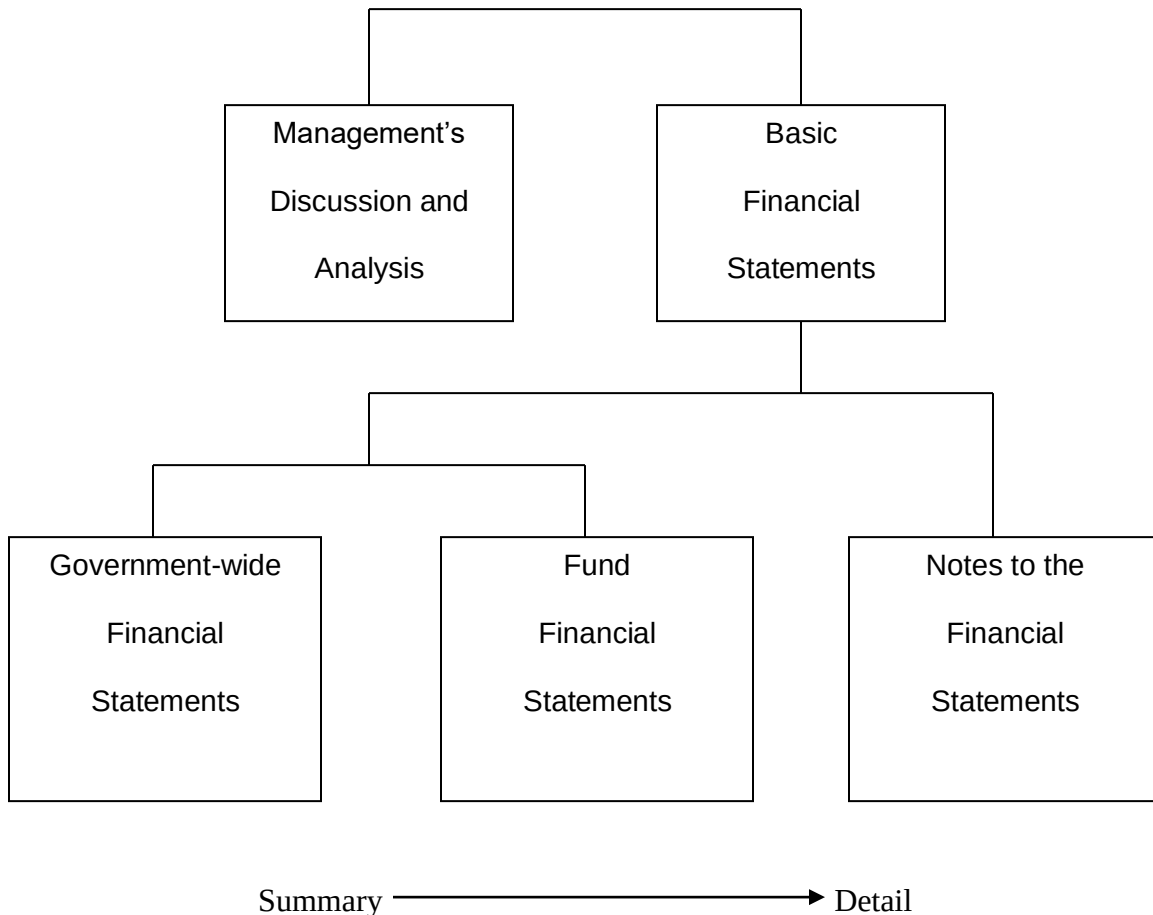
- The assets and deferred outflows of resources of the City of Locust exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$31,500,144 (*net position*).
- The government's total net position increased by \$3,414,367. The increase in net position is a result of an increase in actual revenues compared to budgeted revenues, particularly wastewater revenues, while expenses remained steadfast throughout the year.
- As of the close of the current fiscal year, the City of Locust's General Fund reported ending fund balances of \$5,979,858, an increase of \$1,915,189 in comparison with the prior year. Approximately 6.83% of this total amount or \$408,322 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,571,536, or 138.63% of total General Fund expenditures for the 2022-2023 fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Locust's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City 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 City of Locust.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. 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 City's individual

funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City'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 City's financial condition.

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

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Locust, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Locust can be divided into two categories: governmental funds and proprietary funds.

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

financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Locust adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the 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.

Proprietary Fund – City of Locust has one on-going proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Locust uses its enterprise fund to account for its sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Locust's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 55 of this report.

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

Management Discussion and Analysis
City of Locust

City's Statement of Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 6,315,330	\$ 4,552,764	\$ 5,382,653	\$ 3,119,067	\$ 11,697,983	\$ 7,671,831
Capital assets (net)	11,694,450	11,928,786	9,544,084	9,841,086	21,238,534	21,769,872
Deferred outflow of resources	963,060	703,671	99,816	52,156	1,062,876	755,827
Total assets	18,972,840	17,185,221	15,026,553	13,012,309	33,999,393	30,197,530
Current liabilities	295,138	567,409	81,944	70,894	377,082	638,303
Long-term obligations	1,779,853	803,224	173,518	47,646	1,953,371	850,870
Deferred inflow of resources	163,409	553,649	5,387	68,931	168,796	622,580
Total liabilities	2,238,400	1,924,282	260,849	187,471	2,499,249	2,111,753
Net investment in capital assets	11,694,450	11,928,786	9,544,084	9,841,086	21,238,534	21,769,872
Restricted	408,322	362,952	-	-	408,322	362,952
Unrestricted	4,631,668	2,969,201	5,221,620	2,983,752	9,853,288	5,952,953
Total net position	\$ 16,734,440	\$ 15,260,939	\$ 14,765,704	\$ 12,824,838	\$ 31,500,144	\$ 28,085,777

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 City of Locust exceeded liabilities and deferred inflows by \$31,500,144 as of June 30, 2023. The City's net position increased by \$3,414,367 for the fiscal year ended June 30, 2023. However, the largest portion (67.4%) reflects the City'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 City of Locust uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Locust's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. Restricted net position relating to state Powell Bill revenues and stabilization required by state statutes total \$408,322. The remaining balance of \$9,853,288 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.50%.
- Increase in sales tax due to business growth in the city.
- Continued increase in new development and sewer tap fees.

Management Discussion and Analysis
City of Locust

City's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 79,209	\$ 69,058	\$ 2,720,059	\$ 2,656,257	\$ 2,799,268	\$ 2,725,315
Operating grants and contributions	205,970	179,612	-	-	205,970	179,612
Capital grants and contributions	1,200	6,322	-	-	1,200	6,322
General revenues:						
Property taxes	2,483,628	2,304,682	-	-	2,483,628	2,304,682
Other taxes	159,693	164,575	-	-	159,693	164,575
Grants and contributions not restricted to specific programs	2,107,913	1,976,904	-	-	2,107,913	1,976,904
Other	1,552,835	686,618	75,741	1,694	1,628,576	688,312
Total revenues	6,590,448	5,387,771	2,795,800	2,657,951	9,386,248	8,045,722
Expenses:						
General government	893,951	819,588	-	-	893,951	819,588
Public safety	2,340,067	1,552,880	-	-	2,340,067	1,552,880
Transportation	854,661	1,015,593	-	-	854,661	1,015,593
Economic development	-	2,103	-	-	-	2,103
Environmental protection	512,840	250,231	-	-	512,840	250,231
Cultural and recreational	515,428	452,432	-	-	515,428	452,432
Interest on long-term debt	-	56,261	-	-	-	56,261
Wastewater	-	-	854,934	1,437,399	854,934	1,437,399
Total expenses	5,116,947	4,149,088	854,934	1,437,399	5,971,881	5,586,487
Increase/(decrease) in net position	1,473,501	1,238,683	1,940,866	1,220,552	3,414,367	2,459,235
Net position, beginning	15,260,939	14,022,256	12,824,838	11,604,286	28,085,777	25,626,542
Net position, ending	\$ 16,734,440	\$ 15,260,939	\$ 14,765,704	\$ 12,824,838	\$ 31,500,144	\$ 28,085,777

Governmental activities - Governmental activities increased the City's net position by \$1,473,501. A key element of this increase is as follows:

- The City received more tax revenues than budgeted and controlled expenses within budgeted levels.

Business-type activities: Business-type activities increased the City of Locust's net position by \$1,940,866.

Financial Analysis of the City's Funds

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

Governmental Funds - The focus of the City of Locust's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Locust's financing requirements.

The general fund is the chief operating fund of the City of Locust. At the end of the current fiscal year, City of Locust's fund balance available in the General Fund was \$5,571,536 while total fund balance reached \$5,979,858. The City follows the Local Government Commission's recommendation in order to maintain an adequate cash flow in the General Fund. The Fund Balance available for appropriation should not drop below 8.0% of total expenditures. This represents approximately one month's average expenditures. The City currently has an available fund balance of 138.63%, while total fund balance represents 148.79% of that same amount.

At June 30, 2023, the governmental funds of the City of Locust reported a combined fund balance of \$5,979,858 with a net increase in fund balance of \$1,915,189.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grant; and 3) increases in appropriations that become necessary to maintain services. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. Revenues were higher than budgeted amounts primarily due to the fact that the City historically budgets conservatively. Expenditures were held in check to comply with its budgetary requirements.

Proprietary Funds – The City of Locust's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Wastewater Fund at the end of the fiscal year amounted to \$5,221,620. Other factors concerning the finances of the fund have already been addressed in the discussion of the City of Locust's business-type activities.

Capital Asset and Debt Administration

Capital assets - The City of Locust's investment in capital assets for its governmental and business-type activities as of June 30, 2023 totals \$21,238,534 (net of accumulated depreciation). These assets include buildings, streets, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

City's Capital Assets (net of depreciation)
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 693,782	\$ 693,782	\$ -	\$ -	\$ 693,782	\$ 693,782
Buildings and systems	2,325,038	2,439,808	9,544,084	9,841,086	11,869,122	12,280,894
Machinery and equipment	231,680	248,050	-	-	231,680	248,050
Infrastructure	8,178,995	8,237,889	-	-	8,178,995	8,237,889
Vehicles and motorized equipment	264,955	309,257	-	-	264,955	309,257
Total revenues	<u>\$ 11,694,450</u>	<u>\$ 11,928,786</u>	<u>\$ 9,544,084</u>	<u>\$ 9,841,086</u>	<u>\$ 21,238,534</u>	<u>\$ 21,769,872</u>

Major capital asset transactions during the year included the following:

- City purchased new Kubota tractor and various equipment.
- City purchased 1 new police Dodge Chargers.
- City completed a paving project.

Long-term Debt. As of June 30, 2023, the City of Locust was debt-free. The City made a payment in the amount of \$1,508,725.22 on June 21, 2022 to satisfy in full the USDA governmental center loan.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Locust is \$55,057,258.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the City of Locust:

- The City's unemployment rate remained stable from the prior year.
- Occupancy rates on office and retail space remained steady through the year.
- Commercial growth is increasing as evidenced by the increased sales taxes collected.
- Increase in the number of commercial and retail establishments during the year.

Budget Highlights for the Fiscal Year Ended June 30, 2024

Governmental Activities: Property taxes and revenues from permits and fees are expected to remain steady as compared to the current year. Budgeted expenditures in the General Fund are expected to remain steady for budget year 2023-2024.

Business-type Activities: The Enterprise Fund's general operations are expected to remain steady compared to the current year. General operating expenses will remain steady for budget year 2023-2024.

Requests for Information

This report is designed to provide an overview of the City of Locust'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 office of Cesar Correa, City Administrator, P.O. Box 190, Locust, N.C. 28097 or e-mail to CityAdmin@locustnc.com.

BASIC FINANCIAL STATEMENTS
(Government-wide)

CITY OF LOCUST NORTH CAROLINA
Statement of Net Position
June 30, 2023

Exhibit A

	Primary Government			
	Governmental Activities	Business-type Activities	Total	City of Locust ABC Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 5,596,441	\$ 1,994,851	\$ 7,591,292	\$ 463,393
Restricted cash and cash equivalents	3,385,290	124,336	3,509,626	-
Accounts receivable	3,487	164,901	168,388	-
Taxes receivable	40,334	-	40,334	-
Due from other governments	388,343	-	388,343	-
Prepaid items	-	-	-	21,723
Internal balances	(3,098,565)	3,098,565	-	-
Inventories	-	-	-	326,072
Total current assets	<u>6,315,330</u>	<u>5,382,653</u>	<u>11,697,983</u>	<u>811,188</u>
Non-current assets:				
Capital assets:				
Non-depreciable	693,782	-	693,782	-
Depreciable, net	11,000,668	9,544,084	20,544,752	24,290
Right of use leased asset	-	-	-	123,016
Total capital assets	<u>11,694,450</u>	<u>9,544,084</u>	<u>21,238,534</u>	<u>147,306</u>
Total assets	<u>18,009,780</u>	<u>14,926,737</u>	<u>32,936,517</u>	<u>958,494</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>963,060</u>	<u>99,816</u>	<u>1,062,876</u>	<u>177,280</u>
LIABILITIES				
Current liabilities:				
Accounts payable	14,207	-	14,207	343,716
Unearned revenues	280,931	-	280,931	-
Customer deposits	-	81,944	81,944	-
Total current liabilities	<u>295,138</u>	<u>81,944</u>	<u>377,082</u>	<u>343,716</u>
Long-term liabilities:				
Due within one year	43,887	8,353	52,240	-
Due in more than one year	43,887	8,353	52,240	-
Lease liability	-	-	-	127,579
Net pension liability	1,290,214	156,812	1,447,026	199,707
Separation allowance	401,865	-	401,865	-
Total long-term liabilities	<u>1,779,853</u>	<u>173,518</u>	<u>1,953,371</u>	<u>327,286</u>
Total liabilities	<u>2,074,991</u>	<u>255,462</u>	<u>2,330,453</u>	<u>671,002</u>
DEFERRED INFLOWS OF RESOURCES	<u>163,409</u>	<u>5,387</u>	<u>168,796</u>	<u>49,788</u>
NET POSITION				
Net investment in capital assets	11,694,450	9,544,084	21,238,534	24,290
Restricted for:				
Stabilization by State Statute	391,830	-	391,830	-
Transportation	5,794	-	5,794	-
Working capital	-	-	-	133,075
Unrestricted	4,642,366	5,221,620	9,863,986	257,619
Total net position	<u>\$ 16,734,440</u>	<u>\$ 14,765,704</u>	<u>\$ 31,500,144</u>	<u>\$ 414,984</u>

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

CITY OF LOCUST, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2023

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			City of Locust ABC Board
		Charges for Services	Grants and Contributions		Primary Government			
			Operating	Capital	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 893,951	\$ 100	\$ -	\$ -	\$ (893,851)	\$ -	\$ (893,851)	\$ -
Public safety	1,681,072	-	60,366	-	(1,620,706)	-	(1,620,706)	-
Transportation	854,661	-	145,604	-	(709,057)	-	(709,057)	-
Environmental protection	1,171,835	-	658,995	-	(512,840)	-	(512,840)	-
Cultural and recreational	515,428	79,109	-	1,200	(435,119)	-	(435,119)	-
Total government Activities	5,116,947	79,209	864,965	1,200	(4,171,573)	-	(4,171,573)	-
Business-type Activities:								
Water and Sewer	854,934	2,720,059	-	-	-	1,865,125	1,865,125	
Total Business-type Activities	854,934	2,720,059	-	-	-	1,865,125	1,865,125	
Total primary government	5,971,881	2,799,268	864,965	1,200	(4,171,573)	1,865,125	(2,306,448)	-
Component unit:								
City of Locust ABC Board	3,279,913	3,279,912	-	-	-	-	-	(1)
Total component unit	\$ 3,279,913	\$ 3,279,912	\$ -	\$ -	-	-	-	(1)
General revenues:								
Taxes:								
Property taxes					2,483,628	-	2,483,628	-
Other taxes and licenses					159,693	-	159,693	-
Grants and contributions not restricted to specific programs					2,107,913	-	2,107,913	
Unrestricted Investment earnings					251,778	75,741	327,519	-
Miscellaneous					642,062	-	642,062	-
Total general revenues					5,645,074	75,741	5,720,815	-
Change in net position					1,473,501	1,940,866	3,414,367	(1)
Net position, beginning					15,260,939	12,824,838	28,085,777	414,985
Net position, ending					\$ 16,734,440	\$ 14,765,704	\$ 31,500,144	\$ 414,984

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

FUND FINANCIAL STATEMENTS

CITY OF LOCUST, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit C

	Major Funds		
	General Fund	American Rescue Plan Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 5,596,441	\$ -	\$ 5,596,441
Cash and cash equivalents, restricted	3,385,290	280,931	3,666,221
Accounts receivable	3,487	-	3,487
Taxes receivable	40,334	-	40,334
Due from other governments	388,343	-	388,343
Total assets	<u>9,413,895</u>	<u>280,931</u>	<u>9,694,826</u>
LIABILITIES			
Liabilities:			
Accounts payable	14,207	-	14,207
Due to other funds	3,379,496	-	3,379,496
Due to other funds	-	280,931	280,931
Total liabilities	<u>3,393,703</u>	<u>280,931</u>	<u>3,674,634</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	40,334	-	40,334
Total deferred inflows of resources	<u>40,334</u>	<u>-</u>	<u>40,334</u>
FUND BALANCES			
Restricted for:			
Streets - Powell Bill	5,794	-	5,794
Stabilization by State statute	391,830	-	391,830
Unassigned	5,582,234	-	5,582,234
Total fund balances	<u>5,979,858</u>	<u>-</u>	<u>5,979,858</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,413,895</u>	<u>\$ 280,931</u>	
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Gross capital assets at historical cost		19,483,263	
Accumulated depreciation		<u>(7,788,813)</u>	11,694,450
Deferred outflows of resources related to pensions are not reported in the funds			963,060
Earned revenues considered deferred inflows of resources in fund statements			40,334
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds			
Net pension liability			(1,290,214)
Separation allowance			(401,865)
Deferred inflows of resources related to pensions are not reported in the funds			(163,409)
Compensated absences are not reported in the funds			<u>(87,774.00)</u>
Net position of governmental activities			<u>\$ 16,734,440</u>

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

CITY OF LOCUST, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

Exhibit D

	Major Funds		Total
	General Fund	American Rescue Plan Fund	Governmental Funds
REVENUES:			
Ad valorem taxes	\$ 2,486,346	\$ -	\$ 2,486,346
Other taxes and licenses	159,693	-	159,693
Unrestricted intergovernmental	2,107,913	-	2,107,913
Restricted intergovernmental	210,894	658,995	869,889
Sales and services	84,274	-	84,274
Investment earnings	251,778	-	251,778
Miscellaneous	633,273	-	633,273
Total revenues	<u>5,934,171</u>	<u>658,995</u>	<u>6,593,166</u>
EXPENDITURES:			
Current:			
General government	728,352	-	728,352
Public safety	1,474,519	-	1,474,519
Culture and recreation	471,784	-	471,784
Transportation	831,487	-	831,487
Environmental protection	512,840	658,995	1,171,835
Total expenditures	<u>4,018,982</u>	<u>658,995</u>	<u>4,677,977</u>
Revenues over (under) Expenditures	<u>1,915,189</u>	<u>-</u>	<u>1,915,189</u>
Net change in fund balance	1,915,189	-	1,915,189
Fund balances, beginning	<u>4,064,669</u>	<u>-</u>	<u>4,064,669</u>
Fund balances, ending	<u>\$ 5,979,858</u>	<u>\$ -</u>	<u>\$ 5,979,858</u>

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

CITY OF LOCUST, NORTH CAROLINA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Exhibit E

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

Net changes in fund balances - total governmental funds	\$ 1,915,189
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 which were capitalized	424,344
Depreciation expense for governmental assets	<u>(658,680)</u>
	(234,336)
Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the LGERS for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(210,962)
Changes in the City's proportionate share of the separation allowance, deferred outflows of resources, and deferred inflows of resources related to the LEOSSA for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(28,261)
Revenues in the statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenue for tax revenues	(2,721)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	<u>34,592</u>
Total changes in net position of Governmental Activities	<u><u>\$ 1,473,501</u></u>

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

CITY OF LOCUST, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Major Governmental Funds
For the Year Ended June 30, 2023

	General Fund			
	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,852,000	\$ 2,151,657	\$ 2,486,346	\$ 334,689
Other taxes and licenses	62,500	62,500	159,693	97,193
Unrestricted intergovernmental	1,448,500	1,448,500	2,107,913	659,413
Restricted intergovernmental	110,100	133,800	210,894	77,094
Sales and services	75,000	75,000	84,274	9,274
Investment earnings	10,000	10,000	251,778	241,778
Miscellaneous	234,600	266,825	633,273	366,448
Total revenues	<u>3,792,700</u>	<u>4,148,282</u>	<u>5,934,171</u>	<u>1,785,889</u>
EXPENDITURES				
Current:				
General government	715,000	735,572	728,352	7,220
Public safety	1,458,000	1,495,259	1,474,519	20,740
Culture and recreation	478,855	494,905	471,784	23,121
Transportation	679,845	908,706	831,487	77,219
Environmental protection	460,000	512,840	512,840	-
Economic development	1,000	1,000	-	1,000
Total expenditures	<u>3,792,700</u>	<u>4,148,282</u>	<u>4,018,982</u>	<u>129,300</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,915,189</u>	<u>1,915,189</u>
Fund balance appropriated	<u>-</u>	<u>-</u>		-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,915,189</u>	<u>\$ 1,915,189</u>
Fund balance, beginning			<u>4,064,669</u>	
Fund balance, ending			<u>\$ 5,979,858</u>	

American Rescue Plan Fund			
Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	658,995	658,995	-
-	-	-	-
-	-	-	-
-	-	-	-
-	658,995	658,995	-
-	-	-	-
-	-	-	-
-	-	-	-
-	658,995	-	658,995
-	-	-	-
-	658,995	-	1,317,990
-	-	658,995	1,317,990
-	-	-	-
\$ -	\$ -	658,995	\$ 1,317,990
-	-	-	-
-	-	658,995	-

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

CITY OF LOCUST, NORTH CAROLINA
Statement of Fund Net Position
Proprietary Fund
June 30, 2023

Exhibit G

	Major Enterprise Fund Wastewater Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,994,851
Accounts receivable (net)	164,901
Due from other funds	3,098,565
Restricted cash and cash equivalents	124,336
Total current assets	<u>5,382,653</u>
Noncurrent Assets:	
Capital Assets:	
Other capital assets, net of depreciation	<u>9,544,084</u>
Total assets	<u>14,926,737</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	<u>99,816</u>
LIABILITIES	
Current Liabilities:	
Compensated absences - current	8,353
Customer deposits	81,944
Total current liabilities	<u>90,297</u>
Noncurrent Liabilities:	
Compensated absences	8,353
Net pension liability	156,812
Total noncurrent liabilities	<u>165,165</u>
Total liabilities	<u>255,462</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>5,387</u>
NET POSITION	
Net Investment in Capital Assets	9,544,084
Unrestricted	<u>5,221,620</u>
Total net position	<u>\$ 14,765,704</u>

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

CITY OF LOCUST, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2023

Exhibit H

	Major Enterprise Fund Wastewater Fund
OPERATING REVENUES:	
Charges for services	\$ 1,523,239
Sewer taps	532,500
System development fees	535,000
Availability fees	128,790
Other operating revenues	530
Total operating revenues	<u>2,720,059</u>
OPERATING EXPENSES:	
Administration	346,062
Wastewater collection and treatment	172,112
Depreciation	336,760
Total operating expenses	<u>854,934</u>
Operating income	<u>1,865,125</u>
NONOPERATING REVENUES (EXPENSES):	
Interest and other charges	<u>75,741</u>
Change in net position	<u>1,940,866</u>
NET POSITION	
Total net position, beginning	<u>12,824,838</u>
Total net position, ending	<u><u>\$ 14,765,704</u></u>

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

CITY OF LOCUST, NORTH CAROLINA
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

Exhibit I

	Major Enterprise Fund
	Wastewater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,714,589
Cash paid for goods and services	(253,148)
Cash paid to or on behalf of employees for services	(250,358)
Other operating revenues	530
Customer deposits	11,050
Net cash provided from operating activities	<u>2,222,663</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Net due to (from) other fund	<u>(1,199,466)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(39,758)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	<u>75,741</u>
Net increase in cash and cash equivalents	1,059,180
Balances, beginning	<u>1,060,007</u>
Balances, ending	<u><u>2,119,187</u></u>
Reconciliation of operating income to net cash provided from operating activities	
Operating Income	<u>1,865,125</u>
Adjustment to reconcile operating income to net cash provided from operating activities:	
Depreciation	336,760
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(4,940)
(Increase) decrease in deferred outflows of resources	(47,660)
Increase (decrease) in customer deposits	11,050
Increase (decrease) in compensated absences	16,706
Increase (decrease) in net pension liability	109,166
Increase (decrease) in deferred inflows of resources	(63,544)
Total Adjustments	<u>357,538</u>
Net cash provided from operating activities	<u><u>\$ 2,222,663</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A) The Reporting Entity

The City of Locust, North Carolina is a municipal corporation that is governed by an elected mayor and a seven-member council. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the City of Locust and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

1) Component Unit – City of Locust Alcoholic Beverage Control Board (“ABC Board”)

The members of the ABC Board's governing board are appointed by the City. In addition, the ABC Board is required by state statute to distribute its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at City of Locust ABC Board, 1008 West Main Street, Locust, NC 28097

B) Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City (the “Primary Government”). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Proprietary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charged to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the wastewater system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable (susceptible to accrual) and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are generally collected within 90 days after year-end.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. Capital asset acquisitions are reported as capital outlay expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major governmental funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following fund types and major funds are used by the City.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental Fund Types are those through which most governmental functions of the City are financed. The City's expendable financial resources and related assets and liabilities are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The City's governmental fund types and major and non-major funds are as follows:

The **General Fund, a major fund**, and a budgeted fund, is the general operating fund of the City and accounts for all revenues and expenditures of the City except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The **American Rescue Plan Fund, a major fund**, accounts for the transactions related to the American Rescue Plan Funds.

The City reports the following major enterprise fund:

Wastewater Fund. This fund is used to account for the City's wastewater operations.

Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, American Rescue Plan Fund, and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

C) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1) Cash and Cash Equivalents

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

2) Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The City's and the ABC Board's investments are reported at fair value.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

2) Deposits and Investments (Continued)

The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2023, the Term portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

3) Restricted Assets

Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets.

<u>City of Locust Restricted Cash</u>	
Governmental Activities	
General Fund	
Streets	\$ 5,794
Due to Wastewater Fund	3,098,565
American Rescue Plan Fund	280,931
Business-Type Activities	
Wastewater Fund	
Delinquent accounts offset by the State	42,392
Customer Deposits	81,944
Total Restricted Cash	<u>\$ 3,509,626</u>

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2022. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

4) Inventories and Prepaid Items

The inventory of the ABC Board is valued at lower of cost (first in first out), which approximates market.

The inventory of the ABC Board consists of materials and supplies held for subsequent use. The cost of this inventory is expensed when consumed rather than when purchased.

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

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

5) Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings, and improvements, \$20,000; infrastructure, \$100,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$10,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The City has elected not to report major general infrastructure assets, such as road network, retroactively as permitted for Phase Three governments. Thus, any amounts expended for infrastructure prior to July 1, 2003, are not reported as capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

The City's capital assets are depreciated on the straight-line method using the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	50
Buildings	30
Improvements	25
Vehicles	6
Furniture and equipment	10
Computer equipment	5
Computer software	3

The ABC Board's capital assets are depreciated on the straight-line method using the following estimated useful lives:

Asset Class	Estimated Useful Lives
Equipment	10
Leasehold Improvements	10
Furniture and fixtures	5-10
Office equipment	3-7

6) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meet this criterion, contributions to the pension plan in the current fiscal year and pension deferrals for the 2023 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has two items that meet the criterion for the category – property taxes receivable and pension deferrals.

7) Long-Term Obligations

Long-term debt for wastewater purposes is carried in the Enterprise Fund rather than the Long-term debt account group. For the year ended June 30, 2023, the City had no long-term debt incurred or paid during the year.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

8) Compensated Absences

The vacation policy of the City provides for the accumulation of leave without any maximum until December 31 of each year. Effective with the last payroll in the calendar year, any employee with more than 5 days of accumulated leave shall have the excess accumulation converted to sick leave so that only 5 days are carried forward to January 1 of the next calendar year. For the City's government-wide funds and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensation time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

9) Net Position

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

10) Fund Balance

In accordance with GAAP, the City classifies its governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaids, inventories, etc.) or because of legal or contractual requirements (i.e., principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance for the City consists of:

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

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

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

10) Fund Balance (Continued)

Restricted for Working Capital – North Carolina Alcoholic Beverage Control Commission Rule [.0902] defines working capital as the total of cash, investments, and inventory less all unsecured liabilities. An ABC Board shall set its working capital requirements at not less than two weeks' average gross sales of the last fiscal year or greater than four months average gross sales of the last fiscal year. Average gross sales mean gross receipts from the sale of alcoholic beverages less distributions required by State law [G.S. 18B-805(b), (2), (3), (4)].

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted nor committed and that such assignments are made before the report issuance date. City Board reserves the right to assign fund balance.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City of Locust, for purposes of fund balance, determines 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 City of Locust follows the Local Government Commission's recommendation in order to maintain an adequate cash flow in the General Fund. The Fund Balance for appropriation should not drop below 8% of total expenditures. This represents approximately one month's average expenditures.

11) Pensions

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 Government Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Locust's employer contributions are recognized when due and the City of Locust 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) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A) Assets

1) Deposits and Investments

All the deposits of the City and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's agents in this unit's 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 City, these deposits are considered to be held by the City's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the ABC Board or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization. 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.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A) Assets

1) Deposits and Investments

The City has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial risk for deposits.

At June 30, 2023, the City's deposits had a carrying amount of \$1,957,581 and a bank balance of \$2,044,178. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of the deposits of the ABC Board was \$461,393 and a bank balance of \$461,354. At various times during the year and at year end, the ABC Board's bank balance exceeded FDIC limits. If and when the ABC Board's deposits exceed the FDIC limits, the remaining balance is covered using the pooling method. At June 30, 2023, the City's petty cash totaled \$200.

At June 30, 2023, the City had \$9,143,137 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's (S&P). The City has no policy regarding credit risk.

2) Intergovernmental and Other Receivables

The City has other significant intergovernmental and other receivables related to (a) sales and utility franchise taxes, (b) federal, state, and local grants, and (c) shared and refundable taxes (i.e., sales and use tax, alcoholic beverage, utilities tax, etc.) for revenues primarily collected by the State and remitted to the City.

3) Unavailable, Deferred, and Unearned Revenues

Governmental funds report as a component of deferred inflows of resources (a) revenues that are not considered to be available to liquidate liabilities (unavailable revenue). Governmental funds also defer revenue recognition and report liabilities in connection with resources that have been received but not yet earned (unearned revenue). As of June 30, 2023, the City had the following unavailable, deferred, and unearned revenues in its governmental funds:

Description	Fund(s)	Deferred Inflows of Resources		Liabilities	Total
		Unavailable	Deferred	Unearned	
Unavailable Revenues - Property Taxes	General	\$ 40,334	\$ -	\$ -	\$ 40,334
Unearned Revenues	ARP	-	-	280,931	280,931
Total		<u>\$ 40,334</u>	<u>\$ -</u>	<u>\$ 280,931</u>	<u>\$ 321,265</u>

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CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

A) Assets (Continued)

4) Capital Assets

Capital asset activity for the City's governmental activities for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, non-depreciable:				
Land	\$ 693,782	\$ -	\$ -	\$ 693,782
Construction in progress	-	-	-	-
Total capital assets, non-depreciable	<u>693,782</u>	<u>-</u>	<u>-</u>	<u>693,782</u>
Capital assets, depreciable:				
Buildings	2,546,843	-	-	2,546,843
Other improvements	1,878,865	50,256	-	1,929,121
Furniture and equipment	855,885	34,425	-	890,310
Computer equipment	202,920	-	-	202,920
Vehicles and motorized equipment	1,082,603	44,803	50,655	1,076,751
Infrastructure	11,848,676	294,860	-	12,143,536
Total capital assets, depreciable	<u>18,415,792</u>	<u>424,344</u>	<u>50,655</u>	<u>18,789,481</u>
Less accumulated depreciation for:				
Buildings	906,326	87,958	-	994,284
Other improvements	1,079,774	76,868	-	1,156,642
Furniture and equipment	607,835	50,795	-	658,630
Computer equipment	202,920	-	-	202,920
Vehicles and motorized equipment	773,346	89,105	50,655	811,796
Infrastructure	3,610,587	353,954	-	3,964,541
Total accumulated depreciation	<u>7,180,788</u>	<u>658,680</u>	<u>50,655</u>	<u>7,788,813</u>
Total capital assets being depreciated, net	<u>11,235,004</u>			<u>11,000,668</u>
Governmental activities capital assets, net	<u>\$ 11,928,786</u>			<u>\$ 11,694,450</u>

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CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

A) Assets (Continued)

4) Capital Assets (Continued)

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

Functions/Programs	Depreciation Expense
General government	\$ 128,947
Public safety	102,647
Culture and recreation	78,624
Transportation	348,462
Total - Governmental Activities	<u>\$ 658,680</u>

Capital asset activity for the City's business-type activities for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Wastewater Fund				
Capital assets, depreciable:				
Furniture and maintenance equipment	\$ 440,545	\$ 13,691	\$ -	\$ 454,236
Plant and distribution systems	14,869,143	26,067	-	14,895,210
Total capital assets, depreciable	<u>15,309,688</u>	<u>39,758</u>	<u>-</u>	<u>15,349,446</u>
Less accumulated depreciation for:				
Furniture and maintenance equipment	172,072	42,995	-	215,067
Plant and distribution systems	5,296,530	293,765	-	5,590,295
Total accumulated depreciation	<u>5,468,602</u>	<u>336,760</u>	<u>-</u>	<u>5,805,362</u>
Total capital assets being depreciated, net	<u>9,841,086</u>			<u>9,544,084</u>
Business-type activities capital assets, net	<u>\$ 9,841,086</u>			<u>\$ 9,544,084</u>

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CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

A) Assets (Continued)

4) Capital Assets (Continued)

Capital asset activity for the ABC Board for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
ABC Board (Component Unit)				
Capital assets, depreciable:				
Alarm and video security system	\$ 15,695	\$ -	\$ -	\$ 15,695
Dock equipment	200	-	-	200
Furniture and fixtures	6,544	-	-	6,544
Office equipment	73,485	690	-	74,175
Total capital assets, depreciable	95,924	690	-	96,614
Less accumulated depreciation for:				
Alarm and video security system	16,646	461	-	17,107
Dock equipment	200	-	-	200
Furniture and fixtures	6,544	-	-	6,544
Office equipment	37,189	11,284	-	48,473
Total accumulated depreciation	60,579	11,745	-	72,324
ABC Board capital assets, net	<u>\$ 35,345</u>			<u>\$ 24,290</u>

B) Liabilities

1) Retirement/Pension Plans

a) Local Governmental Employees' Retirement System

Plan Description. The City 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 ("LEO") 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 ("ACFR") for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

1) Retirement/Pension Plans (Continued)

a) Local Governmental Employees' Retirement System (Continued)

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City's contractually required contribution rate for the year ended June 30, 2023, was 13.10% of compensation for law enforcement officers and 12.10% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City and by employees were \$202,014 for the year ended June 30, 2023.

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

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

At June 30, 2023, the City reported a liability of \$1,447,026 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At the June 30, 2022, measurement date, the City's proportion was 0.02565%, which was a decrease of 0.00024% from its proportion of 0.2589% measured as of June 30, 2021.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

1) Retirement/Pension Plans (Continued)

a) Local Governmental Employees' Retirement System (Continued)

For the year ended June 30, 2023, the City recognized pension expense of \$409,721. At June 30, 2023, the City 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	\$ 62,351	\$ 6,113
Changes in Assumptions	144,381	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	478,257	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	39,033	43,597
Employer Contributions Subsequent to the Measurement Date	202,014	-
	<u>\$ 926,036</u>	<u>\$ 49,710</u>

\$202,014 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions will increase (decrease) pension expense as follows:

<u>For Year Ended June 30:</u>	
2024	\$ 218,376
2025	188,316
2026	39,769
2027	227,851
Total	<u>\$ 674,312</u>

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

Inflation	2.50 percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment Rate of Return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 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.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

1) Retirement/Pension Plans (Continued)

a) Local Governmental Employees' Retirement System (Continued)

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	35.8%	1.4%
Fixed Income	23.9%	5.3%
Cash and Receivables	14.3%	4.3%
Other*	26.0%	8.9%
	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,611,696	\$ 1,447,026	\$ 487,271

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

1) Retirement/Pension Plans (Continued)

a) Local Governmental Employees' Retirement System (Continued)

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 (ACFR) for the State of North Carolina.

b) Law Enforcement Officers Special Separation Allowance

Plan Description. The City administers the Law Enforcement Officers Special Separation Allowance ("Separation Allowance" or "LEOSSA"), a single employer defined benefit pension plan, that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 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 City law enforcement officers are covered by the Separation Allowance. The City had fifteen active plan members and one retiree receiving benefits as of December 31, 2021.

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

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

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2021, valuation. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	2.25 percent
Cost of Living Adjustments	N/A

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021.

Mortality rates are based on the Pub-2010 amount-weighted tables. RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

1) Retirement/Pension Plans (Continued)

b) Law Enforcement Officers Special Separation Allowance (Continued)

Contributions. The City 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. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$18,594 as benefits came due for the reporting period.

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

At June 30, 2023, the City reported a total pension liability of \$401,865. The total pension liability was measured as of December 31, 2022, based on a December 31, 2021, actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the City recognized pension expense of \$56,525.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 49,214	\$ 24,376
Changes in Assumptions	78,328	94,710
Benefit Payments and Plan Administrative Expense Made Subsequent to the Measurement Date	9,297	-
	<u>\$ 136,839</u>	<u>\$ 119,086</u>

\$9,297 was paid as benefits came due subsequent to the measurement date have been 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, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions will be recognized in pension expense as follows:

<u>For Year Ended June 30:</u>	
2024	\$ 11,491
2025	10,086
2026	9,873
2027	5,522
2028	(17,028)
Thereafter	(11,488)
Total	<u>\$ 8,456</u>

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

1) Retirement/Pension Plans (Continued)

b) Law Enforcement Officers Special Separation Allowance (Continued)

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 4.31 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage- point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total Pension Liability	\$ 444,711	\$ 401,865	\$ 363,761

Schedule of Changes in Total Pension Liability

Total Pension Liability as of December 31, 2021	\$ 453,822
Changes for the Year:	
Service Cost at End of Year	35,041
Interest on the Total Pension Liability	10,002
Differences Between Expected and Actual Experience	15,540
Changes of Assumptions and Other Inputs	(93,946)
Benefit Payments	(18,594)
Net Changes	<u>\$ (51,957)</u>
Total Pension Liability as of December 31, 2022	<u>\$ 401,865</u>

The plan currently uses mortality tables that vary by age, and health status (i.e., disable 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, 2021, valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

c) Supplemental Retirement Income Plan

Plan Description. The City contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to all employees of the City. 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 is included in the ACFR for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699- 1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary and all amounts are vested immediately. Also, the law enforcement officers, and other full-time City employees may make voluntary contributions to the plan. The City will match full-time City employees' contributions up to five percent collectively. The City made contributions of \$67,929 for the year ended June 30, 2023.

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

1) Retirement/Pension Plans (Continued)

d) Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions

The following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension expense	\$ 409,721	\$ 56,525	\$ 466,246
Pension liability		401,865	401,865
Proportionate share of the net pension liability		N/A	
Deferred Outflows of Resources			
Differences between expected and actual experience	62,351	49,214	111,565
Changes of assumptions	144,381	78,328	222,709
Net difference between projected and actual earnings on plan investments	478,257	-	478,257
Changes in proportion and differences between contributions and proportionate share of contributions	39,033	-	39,033
Benefit payments and administrative costs paid subsequent to the measurement date	202,014	9,297	211,311
Deferred Inflows of Resources			
Differences between expected and actual experience	6,113	24,376	30,489
Changes of assumptions	-	94,710	94,710
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	43,597	-	43,597

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

2) Risk Management

The City 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 City participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the City upon request. The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The City carries no flood insurance. The City is not located in an area of the State that is designated as a flood plain or located close to a river, lake, or stream.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$50,000. The remaining employees that have access to funds are insured against theft in the amount of \$5,000 per occurrence.

3) Changes in Long-Term Liabilities

Presented below is a summary of changes in long-term obligations for the City's governmental and business-type activities for the year ended June 30, 2023:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Net Pension Liability (LGERS)	\$ 349,402	\$ 940,812	\$ -	\$ 1,290,214	\$ -
Separation Allowance (LEOSSA)	453,822	-	51,957	401,865	-
Compensated Absences	122,366	-	34,592	87,774	43,887
Total Governmental Activities	<u>\$ 925,590</u>	<u>\$ 940,812</u>	<u>\$ 86,549</u>	<u>\$ 1,779,853</u>	<u>\$ 43,887</u>
Business-type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Net Pension Liability (LGERS)	\$ 47,646	\$ 109,166	\$ -	\$ 156,812	\$ -
Compensated Absences	-	16,706	-	16,706	8,353
Total Business-type Activities	<u>\$ 47,646</u>	<u>\$ 125,872</u>	<u>\$ -</u>	<u>\$ 173,518</u>	<u>\$ 8,353</u>

CITY OF LOCUST, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

II) DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B) Liabilities (Continued)

4) 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	\$ 5,979,858
Less:	
Prepaid Items / Inventory	-
Stabilization by State Statute	(391,830)
Streets - Powell Bill	(5,794)
	<u>(5,794)</u>
Remaining Fund Balance - General Fund	<u>\$ 5,582,234</u>

III) INTERCOMPANY BALANCES AND ACTIVITY

The City maintains one operating checking account from which all disbursements are made and into which all deposits are made for both the general fund and wastewater fund. That checking account is recorded in the general fund. Typically, there are no true transfers between these two funds recorded. Rather, a payable is recorded for monies deposited into the checking account for items such as monthly wastewater fees income and a receivable is recorded for the disbursements made for expenditures appropriately recorded in the wastewater fund. For the year ended June 30, 2023, there were no transactions recorded as a transfer between the funds, hence the balances below.

These internal balances represent the net receivables and payables remaining after the elimination of interfund activity within governmental and business-type activities.

	Receivable	Payable
General Fund	\$ -	\$ 3,098,565
Wastewater Fund	3,098,565	-
	<u>\$ 3,098,565</u>	<u>\$ 3,098,565</u>

IV) SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A) State Assisted Program

The City has received proceeds from 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) SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

The City has evaluated all subsequent events through December 13, 2023, which is the date financial statements were available to be issued. There were no recognized subsequent events meriting disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the City's Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

Schedule of the City's Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance

Schedule of the City's Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System

Schedule of the City's Contributions
Local Government Employees' Retirement System

CITY OF LOCUST, NORTH CAROLINA
Schedule of Changes in the City's Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Six Fiscal Years*

	2023	2022	2021
Beginning balance of the total pension liability	\$ 453,822	\$ 475,663	\$ 281,454
Changes for the year:			
Service Cost	35,041	36,101	16,347
Interest on total pension liability	10,002	9,001	8,872
Differences between expected and actual experience in the measurement of the total pension liability	15,540	(33,455)	59,499
Changes of assumptions or other inputs	(93,946)	(14,894)	128,085
Benefit payments	(18,594)	(18,594)	(18,594)
Net changes	(51,957)	(21,841)	194,209
Ending balance of the total pension liability	<u>\$ 401,865</u>	<u>\$ 453,822</u>	<u>\$ 475,663</u>
	2020	2019	2018
Beginning balance of the total pension liability	\$ 250,198	\$ 231,033	\$ 195,905
Changes for the year:			
Service Cost	14,925	14,767	12,284
Interest on total pension liability	9,107	7,301	7,562
Differences between expected and actual experience in the measurement of the total pension liability	(1,663)	8,039	(202)
Changes of assumptions or other inputs	8,887	(10,942)	15,484
Benefit payments	-	-	-
Net changes	31,256	19,165	35,128
Ending balance of the total pension liability	<u>\$ 281,454</u>	<u>\$ 250,198</u>	<u>\$ 231,033</u>

Notes to schedule:

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

City OF LOCUST, NORTH CAROLINA
Schedule of the City's Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 401,865	\$ 453,822	\$ 475,663
Covered payroll	798,887	766,811	631,827
Total pension liability as a percentage of covered payroll	50.30%	59.18%	75.28%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability	\$ 281,454	\$ 250,198	\$ 231,033
Covered payroll	532,940	537,259	513,445
Total pension liability as a percentage of covered payroll	52.81%	46.57%	45.00%

Notes to schedule:

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

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

CITY OF LOCUST, NORTH CAROLINA
Schedule of the City's Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Nine Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability (asset)	0.025650%	0.02589%	0.02062%	0.01997%
City's proportionate share of the net pension liability (asset)	\$ 1,447,026	\$ 397,048	\$ 736,840	\$ 545,365
City's covered payroll	\$ 1,519,298	\$ 1,389,450	\$ 1,291,081	\$ 1,177,953
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	95.24%	28.58%	57.07%	46.30%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	91.63%	94.18%	91.47%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability (asset)	0.01961%	0.02059%	0.02001%	0.02056%
City's proportionate share of the net pension liability (asset)	\$ 465,216	\$ 314,558	\$ 424,680	\$ 92,273
City's covered payroll	\$ 1,063,607	\$ 1,042,867	\$ 1,001,802	\$ 1,010,818
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	43.74%	30.16%	42.39%	9.13%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	99.07%	102.64%	94.35%
	<u>2015</u>			
City's proportion of the net pension liability (asset)	0.02097%			
City's proportionate share of the net pension liability (asset)	\$ (123,670)			
City's covered payroll	\$ 983,047			
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(12.58%)			
Plan fiduciary net position as a percentage of the total pension liability**	96.45%			

Notes to schedule:

* 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.

CITY OF LOCUST, NORTH CAROLINA
Schedule of the City's Contributions
Local Government Employees' Retirement System
Last Nine Fiscal Years*

	2023	2022	2021	2020
Contractually required contribution	\$ 202,014	\$ 175,079	\$ 145,968	\$ 120,569
Contributions in relation to the contractually required contribution:	202,014	175,079	145,968	120,569
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,608,478	\$ 1,519,298	\$ 1,389,450	\$ 1,291,081
Contributions as a percentage of covered payroll	12.56%	11.52%	10.51%	9.34%
	2019	2018	2017	2016
Contractually required contribution	\$ 95,596	\$ 83,548	\$ 78,045	\$ 69,147
Contributions in relation to the contractually required contribution:	95,596	83,548	78,045	69,147
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,177,953	\$ 1,063,607	\$ 1,042,867	\$ 1,001,802
Contributions as a percentage of covered payroll	8.12%	7.86%	7.48%	6.90%
	2015			
Contractually required contribution	\$ 70,138			
Contributions in relation to the contractually required contribution:	70,138			
Contribution deficiency (excess)	<u>\$ -</u>			
City's covered payroll	\$ 1,010,818			
Contributions as a percentage of covered payroll	6.94%			

Notes to schedule:

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

INDIVIDUAL FUND SCHEDULES

CITY OF LOCUST, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2023

Schedule 1

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes:			
Taxes	\$ 2,149,657	\$ 2,475,800	\$ 326,143
Interest	2,000	10,546	8,546
Total	<u>2,151,657</u>	<u>2,486,346</u>	<u>334,689</u>
Other taxes and licenses:			
Motor vehicle fees	35,000	48,124	13,124
Vision cable franchise	17,500	20,399	2,899
Business registration and permits	10,000	91,170	81,170
Total	<u>62,500</u>	<u>159,693</u>	<u>97,193</u>
Unrestricted intergovernmental:			
Local option sales taxes	1,000,000	1,598,424	598,424
Utility franchise tax	185,000	227,819	42,819
Beer and wine tax	13,500	3,169	(10,331)
Solid waste fee	250,000	278,501	28,501
Total	<u>1,448,500</u>	<u>2,107,913</u>	<u>659,413</u>
Restricted intergovernmental:			
Powell bill allocation	105,000	145,604	40,604
Powell bill interest	100	234	134
Court fees	5,000	3,490	(1,510)
Other grants	23,700	61,566	37,866
Total	<u>133,800</u>	<u>210,894</u>	<u>77,094</u>
Sales and services:			
Recreation fees	70,000	79,109	9,109
Building rental	5,000	5,165	165
Total	<u>75,000</u>	<u>84,274</u>	<u>9,274</u>
Investment earnings	<u>10,000</u>	<u>251,778</u>	<u>241,778</u>
Miscellaneous:			
Insurance proceeds	-	9,673	9,673
ABC income	202,625	564,526	361,901
Other	64,200	59,074	(5,126)
Total	<u>266,825</u>	<u>633,273</u>	<u>366,448</u>
Total revenues	<u>\$ 4,148,282</u>	<u>\$ 5,934,171</u>	<u>\$ 1,785,889</u>

CITY OF LOCUST, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2023

Schedule 1
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES			
General government:			
Administration:			
Salaries and employee benefits	\$ 487,690	\$ 487,168	\$ 522
Professional services	20,534	18,836	1,698
Membership dues	15,716	15,716	-
Other Operating expenditures	211,632	206,632	5,000
Total	<u>735,572</u>	<u>728,352</u>	<u>7,220</u>
Public safety:			
Police:			
Salaries and employee benefits	1,208,274	1,206,646	1,628
Vehicle maintenance	80,000	68,396	11,604
Other Operating expenditures	166,985	161,247	5,738
Capital outlay	40,000	38,230	1,770
Total	<u>1,495,259</u>	<u>1,474,519</u>	<u>20,740</u>
Culture and recreation:			
Parks and recreation:			
Salaries and employee benefits	229,447	229,162	285
Other Operating expenditures	265,458	242,622	22,836
Total culture and recreation	<u>494,905</u>	<u>471,784</u>	<u>23,121</u>
Transportation			
Streets and highways:			
Salaries and employee benefits	215,406	215,213	193
Paving and repairs	94,750	49,482	45,268
Other Operating expenditures	217,590	212,749	4,841
Capital outlay	380,960	354,043	26,917
Total public service and transportation	<u>908,706</u>	<u>831,487</u>	<u>77,219</u>
Environmental protection:			
Solid waste contracted services	<u>512,840</u>	<u>512,840</u>	<u>-</u>
Economic development:			
Economic Development	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>

CITY OF LOCUST, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2023

Schedule 1
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Total expenditures	<u>\$ 4,148,282</u>	<u>\$ 4,018,982</u>	<u>\$ 129,300</u>
Revenues over (under) expenditures	<u>-</u>	<u>1,915,189</u>	<u>1,915,189</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>1,915,189</u>	<u><u>\$ 1,915,189</u></u>
Fund balance, beginning		<u>4,064,669</u>	
Fund balances, ending		<u><u>\$ 5,979,858</u></u>	

CITY OF LOCUST, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
Wastewater Fund
For the Year Ended June 30, 2023

Schedule 2

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Sewer charges	\$ 1,000,000	\$ 1,523,239	\$ 446,290
Sewer taps and fees	215,000	661,290	446,290
System development fee collections	100,000	535,000	435,000
Other operating revenues	3,548	76,271	72,723
Total revenues	<u>1,318,548</u>	<u>2,795,800</u>	<u>1,477,252</u>
EXPENDITURES			
Wastewater administration:			
Salaries and employee benefits	284,081	283,770	311
Other Operating expenditures	92,034	81,036	10,998
Total wastewater administration	<u>376,115</u>	<u>364,806</u>	<u>11,309</u>
Waste collection and treatment			
Maintenance	32,500	29,759	2,741
Utility service fees	92,141	88,399	3,742
Primary waste treatment	570,412	-	570,412
Other Operating expenditures	97,380	51,616	45,764
Total water distribution	<u>792,433</u>	<u>169,774</u>	<u>622,659</u>
Capital outlay			
Maintenance equipment	50,000	42,096	7,904
Total expenditures	<u>1,218,548</u>	<u>576,676</u>	<u>641,872</u>
Revenues over (under) expenditures	<u>100,000</u>	<u>2,219,124</u>	<u>835,380</u>
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance			
Transfers (to)/from other funds			
Capital reserve fund	(100,000)	-	(100,000)
Total other financing sources (uses)	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>2,219,124</u>	<u>\$ 735,380</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Deferred outflows of resources		47,660	
Deferred inflows of resources		63,544	
Net pension liability		(109,166)	
Compensated absences		16,706	
Equipment purchases		39,758	
Depreciation		(336,760)	
Total reconciling items		<u>(278,258)</u>	
Change in net position		<u>\$ 1,940,866</u>	

CITY OF LOCUST, NORTH CAROLINA
Schedule of Ad Valorem Taxes Receivable
June 30, 2023

Schedule 3

Fiscal Year	Uncollected Balance June 30, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2022-2023	\$ -	\$ 2,477,577	\$ 2,465,254	\$ 12,323
2021-2022	16,818		7,921	8,897
2020-2021	6,848		2,404	4,444
2019-2020	4,313		1,421	2,892
2018-2019	2,352		272	2,080
2017-2018	3,922		515	3,407
2016-2017	2,289		606	1,683
2015-2016	1,559		119	1,440
2014-2015	739		110	629
2013 and prior	4,215		1,676	2,539
	<u>\$ 43,055</u>	<u>\$ 2,477,577</u>	<u>\$ 2,480,298</u>	<u>40,334</u>
				Ad valorem taxes receivable - net
				<u>40,334</u>
				<u>Reconciliation to revenues:</u>
				Ad valorem taxes - General Fund
				\$ 2,486,346
				Reconciling items:
				Interest collected
				(10,546)
				Discounts allowed
				4,498
				<u>Subtotal</u>
				(6,048)
				Total collections and credits
				<u>\$ 2,480,298</u>

CITY OF LOCUST, NORTH CAROLINA

Schedule 4

Analysis of Current Tax Levy

City-Wide Levy

June 30, 2023

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 688,164,619	0.36	\$ 2,477,393	\$ 2,202,570	\$ 274,823
Discoveries - current and prior years	2,298,611	0.36	8,275	8,275	-
Supplemental bill	-	0.36	-	-	-
Releases	(2,247,500)	0.36	(8,091)	(8,091)	-
Total property valuation	<u>\$ 688,215,730</u>				
Net levy			2,477,577	2,202,754	274,823
Unpaid (by taxpayer) taxes at June 30, 2022			(12,323)	(12,323)	-
Current year's taxes collected			<u>\$ 2,465,254</u>	<u>\$ 2,190,431</u>	<u>\$ 274,823</u>
Current levy collection percentage			<u>99.50%</u>	<u>99.44%</u>	<u>100.00%</u>



STATISTICAL SECTION

The information presented in the statistical section is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

Financial Trends – These tables contain trend information to help the reader understand how the government’s financial performance and well-being have been changed over time.

Revenue Capacity – These tables contain information to help the reader assess the government’s most significant local revenue source, the property tax.

Debt Capacity – These tables present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Operating Information – These tables contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs



CITY OF LOCUST, NORTH CAROLINA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net Investment in capital assets	\$ 9,162,144	\$ 8,775,130	\$ 8,391,203	\$ 8,645,075	\$ 8,765,278	\$ 8,456,451	\$ 12,445,622	\$ 12,244,417	\$ 11,928,786	\$ 11,694,450
Restricted	574,611	430,920	404,042	287,953	364,389	274,497	285,386	296,069	362,952	397,624
Unrestricted	242,339	484,720	1,290,013	1,604,110	1,922,013	2,268,082	935,109	1,481,770	2,969,201	4,642,366
Total governmental activities net position	9,979,094	9,690,770	10,085,258	10,537,138	11,051,680	10,999,030	13,666,117	14,022,256	15,260,939	16,734,440
Business-type activities										
Net Investment in capital assets	\$ 7,424,683	\$ 7,632,407	\$ 7,848,229	\$ 7,981,150	\$ 7,968,487	\$ 8,721,535	\$ 9,641,348	\$ 10,024,403	\$ 9,841,086	\$ 9,544,084
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(85,555)	(36,289)	274,188	828,776	1,394,508	1,576,444	1,265,825	1,579,883	2,983,752	5,221,620
Total business-type activities net position	7,339,128	7,596,118	8,122,417	8,809,926	9,362,995	10,297,979	10,907,173	11,604,286	12,824,838	14,765,704
Primary Government										
Net Investment in capital assets	\$ 16,586,827	\$ 16,407,537	\$ 16,239,432	\$ 16,626,225	\$ 16,733,765	\$ 17,177,986	\$ 22,086,970	\$ 22,268,820	\$ 21,769,872	\$ 21,238,534
Restricted	574,611	430,920	404,042	287,953	364,389	274,497	285,386	296,069	362,952	397,624
Unrestricted	156,784	448,431	1,564,201	2,432,886	3,316,521	3,844,526	2,200,934	3,061,653	5,952,953	9,863,986
Total primary government activities net position	\$ 17,318,222	\$ 17,286,888	\$ 18,207,675	\$ 19,347,064	\$ 20,414,675	\$ 21,297,009	\$ 24,573,290	\$ 25,626,542	\$ 28,085,777	\$ 31,500,144

CITY OF LOCUST, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental activities:										
General government	\$ 634,371	\$ 635,144	\$ 575,510	\$ 675,481	\$ 683,204	\$ 712,870	\$ 748,638	\$ 796,197	\$ 819,588	\$ 893,951
Public safety	949,158	912,863	682,022	914,005	983,829	1,103,178	1,303,337	1,375,133	1,552,880	1,681,072
Transportation	534,461	492,527	491,683	501,465	527,329	656,811	661,410	840,112	1,015,593	854,661
Economic and physical development	-	-	-	-	-	-	-	-	2,103	-
Environmental protection	234,433	240,514	219,272	214,173	216,078	238,672	242,970	245,742	250,231	1,171,835
Cultural and recreational	378,018	388,552	357,191	421,741	379,333	368,806	337,135	334,354	452,432	515,428
Interest on long-term debt	71,871	74,319	81,846	73,285	71,238	124,210	7,045	51,523	56,261	-
Wastewater	-	-	-	-	-	-	-	-	-	-
Total governmental activities	2,802,312	2,743,919	2,407,524	2,800,150	2,861,011	3,204,547	3,300,535	3,643,061	4,149,088	5,116,947
Business type activities:										
Wastewater	891,079	923,957	894,374	873,228	924,216	1,013,038	1,181,011	1,239,236	1,437,399	854,934
Total business type activities	891,079	923,957	894,374	873,228	924,216	1,013,038	1,181,011	1,239,236	1,437,399	854,934
Total primary governmental activities	\$ 3,693,391	\$ 3,667,876	\$ 3,301,898	\$ 3,673,378	\$ 3,785,227	\$ 4,217,585	\$ 4,481,546	\$ 4,882,297	\$ 5,586,487	\$ 5,971,881

CITY OF LOCUST, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 11,284	\$ 5,765	\$ 5,265	\$ 5,313	\$ 5,600	\$ 6,118	\$ 3,160	\$ 575	\$ 350	\$ 100
Public safety	4,225	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Cultural and recreational	53,605	55,444	60,564	67,881	64,024	73,967	48,231	46,290	68,708	79,109
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Non departmental	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	-	-	666	2,777	1,179	1,609	578	80,610	-	-
Public safety	-	4,532	4,541	4,121	3,793	36,296	35,758	35,574	33,333	60,366
Transportation	103,968	104,587	104,898	105,887	106,776	107,453	108,298	107,134	144,279	145,604
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	2,000	658,995
Cultural and recreational	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Non departmental	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	142,510	-	-	281,638	346,681	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	2,551,645	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	-	-	-	-	6,322	1,200
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Non departmental	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>315,592</u>	<u>170,328</u>	<u>175,934</u>	<u>467,617</u>	<u>528,053</u>	<u>225,443</u>	<u>2,747,670</u>	<u>270,183</u>	<u>254,992</u>	<u>945,374</u>
Business type activities:										
Charges for services:										
Sewer fund	1,056,865	1,133,735	1,420,673	1,560,737	1,507,285	1,964,485	1,790,206	1,936,350	2,656,257	2,720,059
Stormwater fund	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
Solid waste fund	-	-	-	-	-	-	-	-	-	-
Stormwater fund	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Sewer fund	-	-	-	-	-	-	-	-	-	-
Stormwater fund	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>1,056,865</u>	<u>1,133,735</u>	<u>1,420,673</u>	<u>1,560,737</u>	<u>1,507,285</u>	<u>1,964,485</u>	<u>1,790,206</u>	<u>1,936,350</u>	<u>2,656,257</u>	<u>2,720,059</u>
Total primary governmental program revenues	<u>\$ 1,372,457</u>	<u>\$ 1,304,063</u>	<u>\$ 1,596,607</u>	<u>\$ 2,028,354</u>	<u>\$ 2,035,338</u>	<u>\$ 2,189,928</u>	<u>\$ 4,537,876</u>	<u>\$ 2,206,533</u>	<u>\$ 2,911,249</u>	<u>\$ 3,665,433</u>
Net (expense)/revenue:										
Total governmental activities net (expense)/revenue	<u>\$(2,320,934)</u>	<u>\$(2,363,813)</u>	<u>\$(1,705,291)</u>	<u>\$(1,645,024)</u>	<u>\$(1,749,889)</u>	<u>\$(2,027,657)</u>	<u>\$ 56,330</u>	<u>\$(2,675,764)</u>	<u>\$(2,675,238)</u>	<u>\$(2,306,448)</u>

CITY OF LOCUST, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes levied for general purposes	\$ 1,340,582	\$ 1,359,668	\$ 1,355,843	\$ 1,421,363	\$ 1,532,589	\$ 1,562,474	\$ 1,674,986	\$ 1,911,376	\$ 2,304,682	\$ 2,483,628
Other taxes	62,636	64,627	50,739	107,092	101,605	163,639	174,148	273,304	164,575	159,693
Unrestricted intergovernmental revenue	885,139	996,701	1,151,973	1,124,556	1,165,987	1,277,079	1,325,602	1,519,554	1,976,904	2,107,913
Unrestricted investment earnings	12,110	6,315	6,096	8,906	12,879	18,275	26,534	5,726	7,420	251,778
Miscellaneous	53,746	68,874	61,427	44,747	4,440	22,527	18,682	19,057	679,198	642,062
Gain/(loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Total general revenues not including transfers	2,354,213	2,496,185	2,626,078	2,706,664	2,817,500	3,043,994	3,219,952	3,729,017	5,132,779	5,645,074
Transfers in	-	-	-	-	30,000	-	-	-	-	-
Transfers (out)	-	(60,800)	-	-	-	-	-	-	-	-
Total general revenues and transfers-governmental activities	2,354,213	2,435,385	2,626,078	2,706,664	2,847,500	3,043,994	3,219,952	3,729,017	5,132,779	5,645,074
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	-	1,694	75,741
Transfers in	-	60,800	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	(30,000)	-	-	-	-	-
Total general revenues and transfers-Business-type activities	-	60,800	-	-	(30,000)	-	-	-	1,694	75,741
Change in Net Position										
Governmental activities										
Net position-beginning	10,111,601	9,979,094	9,690,770	10,085,258	10,537,138	11,051,680	10,999,030	13,666,117	14,022,256	15,260,939
Prior Period Adjustment		(150,118)	-	77,749	-	(117,540)	-	-	-	-
LEOSSA adjustment			-	-	-	-	-	-	-	-
Change in net position	(132,507)	(138,206)	394,488	374,131	514,542	64,890	2,667,087	356,139	1,238,683	1,473,501
Net position-ending.	9,979,094	9,690,770	10,085,258	10,537,138	11,051,680	10,999,030	13,666,117	14,022,256	15,260,939	16,734,440
Business-type activities										
Net position-beginning	7,173,342	7,339,128	7,596,118	8,122,417	8,809,926	9,362,995	10,297,979	10,907,173	11,604,286	12,824,838
Prior Period Adjustment		(13,588)	-	-	-	(16,462)	-	-	-	-
Change in net position	165,786	270,578	526,299	687,509	553,069	951,446	609,194	697,113	1,220,552	1,940,866
Net position-ending.	7,339,128	7,596,118	8,122,417	8,809,926	9,362,995	10,297,979	10,907,173	11,604,286	12,824,838	14,765,704
Total net position-ending	\$ 17,318,222	\$ 17,286,888	\$ 18,207,675	\$ 19,347,064	\$ 20,414,675	\$ 21,297,009	\$ 24,573,290	\$ 25,626,542	\$ 28,085,777	\$ 31,500,144

CITY OF LOCUST, NORTH CAROLINA
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

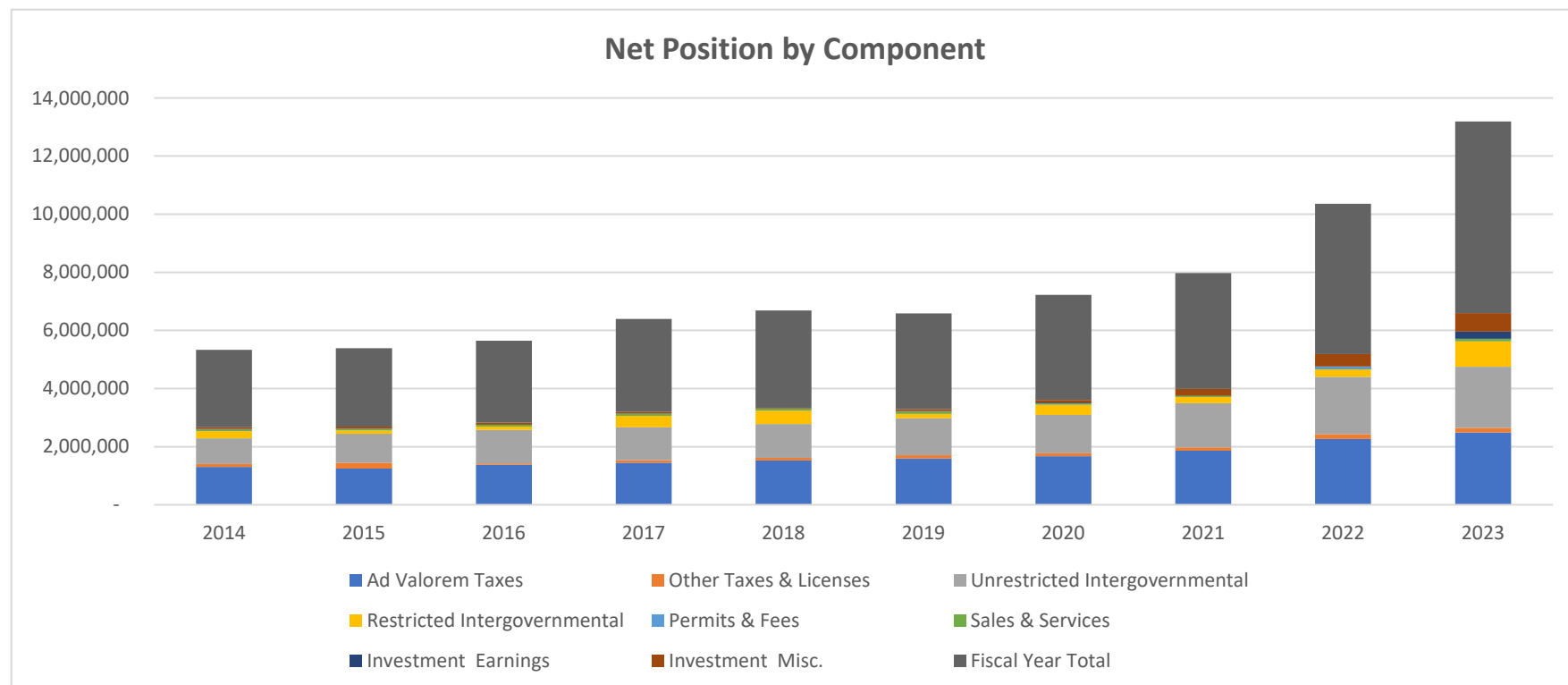
	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<i>General Fund</i>										
Restricted										
Stabilization by state statue	\$ 457,860	\$ 269,267	\$ 269,267	\$ 219,632	\$ 266,521	\$ 216,813	\$ 218,006	\$ 230,698	\$ 360,686	\$ 391,830
Streets-Powell bill	116,751	161,653	134,775	68,321	97,868	57,684	67,380	65,371	2,266	5,794
Committed										
Special projects	-	-	-	-	-	-	-	-	-	-
Unspendable										
Prepaid expenses	-	1,534	41,562	81,396	81,396	81,305	82,021	82,021	82,021	-
USDA Reserves	10,956	28,780	38,653	48,524	58,394	68,265	78,135	88,000	-	-
Assigned										
Veterans Memorial	8,509	7,492	34,470	-	-	-	-	-	-	-
Law enforcement separation allowance	-	-	-	-	231,033	250,198	281,454	475,663	453,822	-
Unassigned	624,462	1,038,438	1,528,726	1,929,196	1,929,871	2,359,263	2,801,595	3,027,322	3,165,874	5,582,234
Total General Fund	<u>\$ 1,218,538</u>	<u>\$ 1,507,164</u>	<u>\$ 2,047,453</u>	<u>\$ 2,347,069</u>	<u>\$ 2,665,083</u>	<u>\$ 3,033,528</u>	<u>\$ 3,528,591</u>	<u>\$ 3,969,075</u>	<u>\$ 4,064,669</u>	<u>\$ 5,979,858</u>
<i>All other governmental funds:</i>										
<i>Capital Project Fund</i>										
Restricted										
Stabilization by state statue	-	-	-	-	-	-	-	-	-	-
Streets-Powell bill	-	-	-	-	-	-	-	-	-	-
Committed										
Community Parks Reserve Funds	-	-	-	-	-	-	-	-	-	-
Special projects	-	-	-	-	-	-	-	-	-	-
Unspendable	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
Assigned										
Government Center	-	-	(42,351)	-	-	-	-	-	-	-
Law enforcement separation allowance	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,351)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LOCUST, NORTH CAROLINA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Ad valorem taxes	\$ 1,299,087	\$ 1,251,309	\$ 1,378,992	\$ 1,443,009	\$ 1,530,436	\$ 1,587,954	\$ 1,669,419	\$ 1,862,120	\$ 2,261,627	\$ 2,486,346
Other taxes and licenses	100,507	198,137	47,384	99,359	85,213	118,449	98,965	110,450	166,316	159,693
Unrestricted intergovernmental	885,139	996,701	1,151,973	1,124,556	1,165,987	1,277,079	1,325,602	1,519,554	1,975,163	2,107,913
Restricted intergovernmental	250,703	109,119	109,438	391,647	457,250	143,750	144,056	214,442	281,073	869,889
Permits and fees	-	-	-	-	-	-	-	-	74,848	-
Sales and services	58,668	59,460	65,829	73,194	69,624	80,085	51,391	46,865	-	84,274
Investment earnings	12,110	6,315	6,096	8,906	12,879	18,275	26,534	5,726	7,420	251,778
Miscellaneous	61,363	71,529	60,613	55,256	22,010	69,327	94,813	230,363	415,294	633,273
Total revenues	2,667,577	2,692,570	2,820,325	3,195,927	3,343,399	3,294,919	3,410,780	3,989,520	5,181,741	6,593,166
Expenditures										
Current:										
General government	642,056	532,390	565,790	914,396	934,615	605,576	609,501	656,312	679,928	728,352
Public Safety	917,286	890,680	807,350	898,448	956,664	1,052,652	1,218,545	1,311,067	1,605,245	1,474,519
Transportation	266,113	249,608	263,397	376,040	255,967	460,908	372,940	797,362	564,943	831,487
Economic and physical development	18,876	50	-	-	-	-	-	10,267	2,103	-
Environmental protection	234,433	240,514	219,272	214,173	216,078	238,673	242,970	245,742	250,231	1,171,835
Cultural and recreation	289,994	314,577	304,670	441,995	411,572	288,242	248,070	279,596	376,279	471,784
Debt service:					-					
Principal	37,709	39,451	79,572	54,942	206,140	73,490	154,131	194,996	1,607,417	-
Interest and other charges	77,616	75,874	82,337	73,967	74,350	125,202	69,561	53,696	-	-
Total expenditures	2,484,083	2,343,144	2,322,388	2,973,961	3,055,386	2,844,743	2,915,718	3,549,037	5,086,146	4,677,977
Excess (deficiency) of revenues over expenditures	183,494	349,426	497,937	221,966	288,013	450,177	495,062	440,483	95,595	1,915,189
Other financing sources (uses):										
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Proceeds from insurance claims	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	120,000	-	-	-	-	-	-
Capital lease obligations issued	-	-	-	-	-	-	-	-	-	-
Construction Loan	-	-	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	71,061	30,000	7,167	199,645	-	-	-
Transfer to other funds	-	(60,800)	-	(71,061)	-	(7,167)	(199,645)	-	-	-
Total other financing sources (uses)	-	(60,800)	-	120,000	30,000	-	-	-	-	-
Net change in fund balance	183,494	288,626	497,937	341,966	318,013	450,178	495,063	440,483	95,595	1,915,189
Fund balance, beginning	1,035,044	1,218,538	1,507,164	2,005,102	2,347,069	2,665,082	3,033,528	3,528,591	3,969,074	4,064,669
Restatement	-	-	-	-	-	(81,732)	-	-	-	-
Fund balance, end of year	\$ 1,218,538	\$ 1,507,164	\$ 2,005,101	\$ 2,347,068	\$ 2,665,082	\$ 3,033,528	\$ 3,528,591	\$ 3,969,074	\$ 4,064,669	\$ 5,979,858
Debt services as a percentage of non-capital expenditures	4.6%	4.9%	7.0%	4.3%	9.2%	7.0%	7.7%	7.0%	31.6%	0.0%

CITY OF LOCUST, NORTH CAROLINA
Governmental Activities Tax Revenue By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Ad Valorem Taxes	Other Taxes & Licenses	Unrestricted Intergovernmental	Restricted Intergovernmental	Permits & Fees	Sales & Services	Investment Earnings	Misc.	Fiscal Year Total
2014	1,299,087	100,507	885,139	250,703	-	58,668	12,110	61,363	2,667,577
2015	1,251,309	198,137	996,701	109,119	-	59,460	6,315	71,529	2,692,570
2016	1,378,992	47,384	1,151,973	109,438	-	65,829	6,096	60,613	2,820,325
2017	1,443,009	99,359	1,124,556	391,647	-	73,194	8,906	55,256	3,195,927
2018	1,530,436	85,213	1,165,987	457,250	-	69,624	12,879	22,010	3,343,399
2019	1,587,954	118,449	1,277,079	143,750	-	80,085	18,275	69,327	3,294,919
2020	1,669,419	98,965	1,325,602	343,701	-	51,391	26,534	94,813	3,610,425
2021	1,862,120	110,450	1,519,554	214,442	-	46,865	5,726	230,363	3,989,520
2022	2,261,627	166,316	1,975,163	281,073	74,848	-	7,420	415,294	5,181,741
2023	2,486,346	159,693	2,107,913	869,889	-	84,274	251,778	633,273	6,593,166



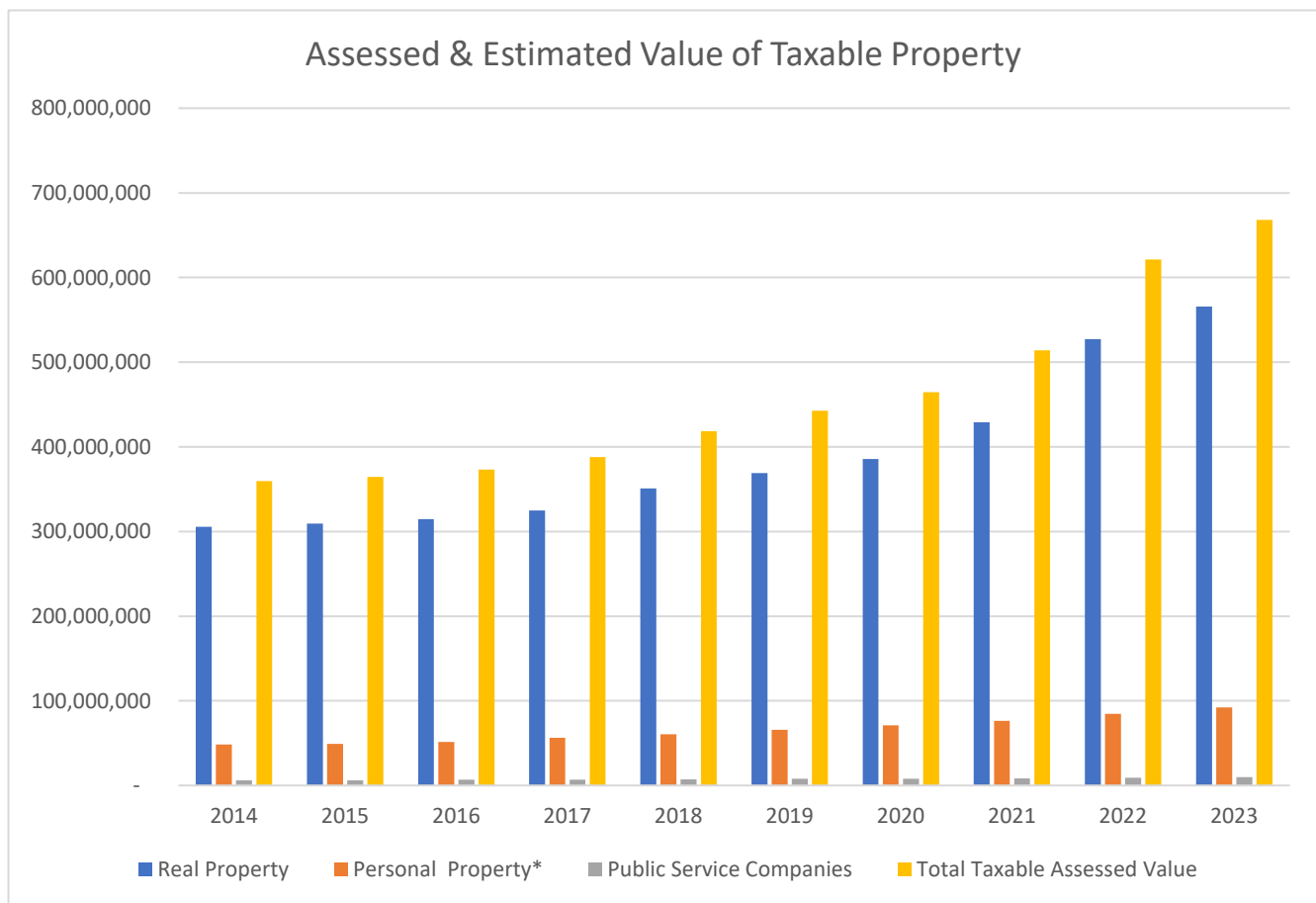
Compiled from Annual Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Fund Types, using modified accrual basis of accounting.

CITY OF LOCUST, NORTH CAROLINA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ending June 30	Real Property	Personal Property*	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate
2014	305,465,909	48,203,279	5,909,435	359,578,623	0.3600
2015	309,377,868	49,332,355	5,946,480	364,656,703	0.3600
2016	314,714,275	51,510,045	7,001,358	373,225,678	0.3600
2017	324,855,305	56,331,435	6,704,292	387,891,032	0.3600
2018	350,965,998	60,291,346	7,043,113	418,300,457	0.3600
2019	369,075,145	65,850,167	7,849,681	442,774,993	0.3600
2020	385,480,911	70,976,123	7,995,078	464,452,112	0.3600
2021	429,121,620	76,461,763	8,263,231	513,846,614	0.3600
2022	527,274,110	84,735,221	9,107,291	621,116,622	0.3600
2023	565,898,468	92,369,513	9,798,446	668,066,427	0.3600

Compiled from NC Dept. of Revenue-County Taxable Real Property, Personal Property, and Public Service Company Valuations (LG55) and TR-2 Submissions

* includes registered motor vehicles



CITY OF LOCUST, NORTH CAROLINA
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Locust		Stanly County		Total Direct and Overlapping Rate
	Operating Rate	Total Direct Rate	Operating Rate	Total Direct Rate	
2014	0.3600	0.3600	0.6700	0.6700	1.0300
2015	0.3600	0.3600	0.6700	0.6700	1.0300
2016	0.3600	0.3600	0.6700	0.6700	1.0300
2017	0.3600	0.3600	0.6700	0.6700	1.0300
2018	0.3600	0.3600	0.6700	0.6700	1.0300
2019	0.3600	0.3600	0.6700	0.6700	1.0300
2020	0.3600	0.3600	0.6700	0.6700	1.0300
2021	0.3600	0.3600	0.6700	0.6700	1.0300
2022	0.3600	0.3600	0.6100	0.6100	0.9700
2023	0.3600	0.3600	0.6100	0.6100	0.9700

Fiscal Year	City of Locust		Cabarrus County		Total Direct and Overlapping Rate
	Operating Rate	Total Direct Rate	Operating Rate	Total Direct Rate	
2014	0.3600	0.3600	0.7000	0.7000	1.0600
2015	0.3600	0.3600	0.7000	0.7000	1.0600
2016	0.3600	0.3600	0.7000	0.7000	1.0600
2017	0.3600	0.3600	0.7000	0.7000	1.0600
2018	0.3600	0.3600	0.7000	0.7000	1.0600
2019	0.3600	0.3600	0.7200	0.7200	1.0800
2020	0.3600	0.3600	0.7400	0.7400	1.1000
2021	0.3600	0.3600	0.7400	0.7400	1.1000
2022	0.3600	0.3600	0.7400	0.7400	1.1000
2023	0.3600	0.3600	0.7400	0.7400	1.1000

Source: Stanly and Cabarrus Counties Tax Offices
ncdor.gov Fiscal Year County and Municipal Property Tax Rates

CITY OF LOCUST, NORTH CAROLINA
Principal Property Taxpayers
For the Fiscal Year Ended June 30, 2023

2023			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
DR Horton Inc	\$ 12,837,486	1	1.92%
Walmart Real Estate Business	\$ 12,039,958	2	1.80%
Chicago Tube & Iron	\$ 10,687,574	3	1.60%
Locust Golf Associates LLC	\$ 7,715,600	4	1.15%
Duke Energy Carolinas LLC	\$ 6,002,382	5	0.90%
Ready Mix of the Carolinas Inc.	\$ 4,934,315	6	0.74%
WRS Centers LLC	\$ 4,780,550	7	0.72%
Locust-Highway 200 LLC/NC LLC	\$ 4,689,060	8	0.70%
GHI of West Palm Beach LLC	\$ 4,335,526	9	0.65%
Meadow Creek Business Park LLC	\$ 4,210,066	10	0.63%

2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Walmart Real Estate Business	\$ 10,478,291	1	2.91%
Chicago Tube & Iron	\$ 9,572,599	2	2.66%
Locust - Highway 200 LLC / NC LLC	\$ 5,907,970	3	1.64%
Oakboro Main St Development	\$ 5,200,069	4	1.45%
Locust Golf Association	\$ 5,047,500	5	1.40%
Villages at Red Bridge LLC	\$ 4,719,650	6	1.31%
Meadow Creek Business Park LLC	\$ 3,744,438	7	1.04%
Locust Retail Investment LLC	\$ 3,728,040	8	1.04%
Stanly Regional West LLC	\$ 2,603,757	9	0.72%
Stanly Plaza LLC	\$ 2,565,680	10	0.71%

Source: Cabarrus County and Stanly County Office of the Tax Collector

CITY OF LOCUST, NORTH CAROLINA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Levy for Fiscal Year (Original Year)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2014	1,323,046	1,271,922	96.14%	51,124	1,323,046	100.00%
2015	1,352,809	1,318,374	97.45%	34,435	1,352,809	100.00%
2016	1,350,076	1,321,306	97.87%	28,770	1,350,076	100.00%
2017	1,399,646	1,374,019	98.17%	25,627	1,399,646	100.00%
2018	1,526,094	1,497,424	98.12%	28,670	1,526,094	100.00%
2019	1,588,679	1,561,615	98.30%	27,064	1,588,679	100.00%
2020	1,667,335	1,644,292	98.62%	23,043	1,667,335	100.00%
2021	1,862,373	1,843,378	98.98%	18,995	1,862,373	100.00%
2022	2,252,401	2,235,583	99.25%	16,818	2,252,401	100.00%
2023	2,477,577	2,465,254	99.50%	12,323	2,477,577	100.00%

Data from Analysis of Current Tax Level Schedule in audit

CITY OF LOCUST, NORTH CAROLINA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds Authorized But Not Issued	General Obligation Bonds Issued	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Percentage of Personal Income
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-

Not Applicable - no bond debts

CITY OF LOCUST, NORTH CAROLINA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental				Business-Type					
Fiscal	Capitalized	Construction	Government Center	Installment	Capitalized	Installment	Total Primary	Per	Percentage of Assessed Value	Percentage of Total
Year	Leases	Loan	Loan	Purchases	Leases	Purchases	Government	Capita	Of Property	Personal Income
2014	43,806	-	2,082,515	-	-	3,109,300	5,235,621	\$ 1,772	1.46%	6.85%
2015	30,153	-	2,056,711	-	-	2,631,027	4,717,891	\$ 1,591	1.29%	6.41%
2016	84,844	-	2,030,010	-	-	2,139,238	4,254,092	\$ 1,388	1.14%	5.25%
2017	57,538	-	2,002,375	120,000	-	1,789,585	3,969,498	\$ 1,250	1.02%	4.47%
2018	-	-	1,973,773	-	-	1,586,188	3,559,961	\$ 1,109	0.85%	3.81%
2019	-	-	1,900,283	-	-	695,916	2,596,199	\$ 802	0.59%	2.75%
2020	-	-	1,746,152	-	-	-	1,746,152	\$ 382	0.38%	1.31%
2021	-	-	1,551,156	-	-	-	1,551,156	\$ 335	0.30%	1.12%
2022	-	-	-	-	-	-	-	\$ -	0.00%	0.00%
2023	-	-	-	-	-	-	-	\$ -	0.00%	N/A

Note 1: Details regarding the City's outstanding debt can be found in the City's Financial statements.
Note 2: Debt excluded LEO separation allowances and compensated absences.

CITY OF LOCUST, NORTH CAROLINA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
Locust	\$ -	100%	\$ -
Indirect Debt:			
Stanly County (1)	\$ 13,423,914	11%	\$ 1,427,344
Cabarrus County (2)	\$ 534,289,618	2%	\$ 13,165,829
Total Indirect Overlapping Debt	<u>\$ 547,713,532</u>		<u>\$ 14,593,173</u>
Total direct and indirect overlapping debt	<u>\$ 547,713,532</u>		<u>\$ 14,593,173</u>

Sources:

¹ Stanly County Finance Department

² Cabarrus County Finance Department

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident--therefore responsible for repaying the debt--of each overlapping governments.

CITY OF LOCUST, NORTH CAROLINA
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed value of property	\$ 371,238,229	\$ 377,550,833	\$ 376,259,166	\$ 388,526,492	\$ 423,914,875	\$ 441,299,628	\$ 463,148,586	\$ 517,325,961	\$ 625,666,944	\$ 688,215,730
Debt Limit, 8% of Assessed value (Statutory Limitation)	29,699,058	30,204,067	30,100,733	31,082,119	33,913,190	35,303,970	37,051,887	41,386,077	50,053,356	55,057,258
Debt applicable to debt limitations:										
Total bonded debt	-	-	-	-	-	-	-	-	-	-
Debt not evidenced by bonds	5,235,621	4,717,891	4,254,092	3,969,498	3,559,961	2,596,199	1,746,152	1,551,156	-	-
Legal debt margin	24,463,437	25,486,176	25,846,641	27,112,621	30,353,229	32,707,771	35,305,735	39,834,921	50,053,356	55,057,258
Legal debt margin as a percentage of debt limit	82.4%	84.4%	85.9%	87.2%	89.5%	92.6%	95.3%	96.3%	100.0%	100.0%

Note: Assessed value of property as presented above may differ slightly from the North Carolina Department of Revenue-County
Taxable Real Property, Personal Property and Public Service Company Valuations (LG55)

Data from Analysis of Current Tax Levy in audit

CITY OF LOCUST, NORTH CAROLINA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Households	Average Household Income	Total Personal Income	Per Capita Personal Income	Stanly County Unemployment Rate
2014	2955	1,202	\$ 57,031	\$ 76,472,445	\$ 25,879	5.9%
2015	2966	1,179	\$ 52,643	\$ 73,559,766	\$ 24,801	5.7%
2016	3066	1,244	\$ 55,283	\$ 80,966,928	\$ 26,408	4.3%
2017	3176	1,379	\$ 55,348	\$ 88,839,072	\$ 27,972	5.1%
2018	3209	1,454	\$ 55,893	\$ 93,359,437	\$ 29,093	3.3%
2019	3238	1,397	\$ 68,141	\$ 94,358,558	\$ 29,141	3.6%
2020	4568	1,858	\$ 55,684	\$ 133,116,088	\$ 29,141	6.2%
2021	4633	1,883	\$ 54,617	\$ 138,925,138	\$ 29,986	4.4%
2022	4718	1,925	\$ 57,031	\$ 139,445,208	\$ 29,556	3.3%
2023	4868	1,965	\$ 60,128	**N/A	\$ 33,226	***3.13%

Sources:

ESRI Business Analyst

U.S. Census Bureau

Stanly County Economic Development Office

Stanly County, NC

Source: U.S. Census City/Town Population Estimates

5-year estimates historical data available (US Census ACS 5-Year Estimates)

Multiplied Per Capita Income by Population

* US Census population estimates use decennial census's as their base. Therefore, if a region sees dramatic change in population between the decennial census's sometimes it is not captured in the estimates as it gets farther from the decennial census. This then gets corrected when the next decennial census comes out. In this case, Locust grew dramatically between 2010-2020 which was not captured in the annual estimates and it looks like a massive jump in one year from 2019-2020. In reality, it is a data correction and at some point later this year or early next year they will go back and fix the 2011-2019 population estimates.

**US Census data is not available but used estimates from ESRI.

***Average of January, 2023-June, 2022 (most recently updated) unemployment rates

CITY OF LOCUST, NORTH CAROLINA
Principal Employers
Current Year and Nine Years Ago

2023			2014		
Employees	Rank	Range of Total Number of Employees	Employees	Rank	Range of Total Number of Employees
Walmart	1	100 - 249 Employees		1	
UFP Industries Inc	2	50 - 99 Employees		2	
Food Lion	3	50 - 99 Employees		3	
Carolina Christian School	4	50 - 99 Employees		4	
CTI Power	5	25 - 49 Employees		5	
Tailgators Sports Grill	6	25 - 49 Employees		6	
United Protective Technologies LLC	7	25 - 49 Employees		7	
Builders FirstSource Inc.	8	25 - 49 Employees		8	
Stanly Community College/Crutchfield	9	25 - 49 Employees		9	
Bojangles Famous Chicken 'N Biscuits	10	25 - 49 Employees		10	

Data obtained from Stanly County Economic Development Office and CRBA Research Team

CITY OF LOCUST, NORTH CAROLINA
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Legal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Streets/PW	4.00	4.00	4.00	4.00	5.00	6.00	5.00	5.00	6.00	6.00
Police	12.00	12.00	12.00	12.00	12.00	13.00	12.00	12.00	14.00	15.00
Recreation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00
Parks	3.00	3.00	3.00	3.00	2.50	2.50	1.50	1.50	1.00	2.00
	26.00	26.00	26.00	26.00	26.50	28.50	25.50	25.50	29.00	30.00

Source: City of Locust Budget

CITY OF LOCUST, NORTH CAROLINA**Operating Indicators By Function****Last Ten Fiscal Years**

Parks and Recreation Department	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Participants	N/A	185	453	440	471	571	540	230	698	757

Police Department	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Calls For Service	N/A	5,105	5,585	5,121	5,728	5,834	N/A	5,728	5,771	6,348
Community Event Attendees	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Accidents	134	153	220	212	214	197	153	214	202	229
Arrests	162	272	263	311	199	200	322	199	320	471
Parking Tickets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Citations	1,412	1,121	1,439	1,270	997	998	774	997	1,279	2,193
Incident Reports	1,652	1,668	1,580	1,496	1,631	1,720	1,567	1,631	1,790	1,766

Source: City of Locust Parks and Recreation and Police Departments

Note: Parks and Recreation Year 2020 and 2021 are less due to Covid-19 restrictions

N/A Function not counted/recorded

CITY OF LOCUST, NORTH CAROLINA
Capital Asset Statistics By Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police Stations	1	1	1	1	1	1	1	1	1	1
Streets Maintained (Miles)	25.6	25.6	25.6	25.6	25.6	25.6	26.3	26.3	26.3	27.5

Source: City of Locust Powell Bill Annual Reporting

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Locust, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Locust North Carolina's basic financial statements, and have issued our report thereon dated December 13, 2023. Our report also includes a reference to other auditors who audited the financial statements of the Locust Board of Alcoholic Beverage Control ("ABC Board"), as described in our report on the City of Locust North Carolina's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Strickland Hardee PLLC

Lexington, North Carolina
December 13, 2023

CITY OF LOCUST, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Schedule 5

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with

U.S. GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ yes ✓ no

Significant deficiencies identified that are
not considered to be material weaknesses?

_____ yes ✓ none reported

Noncompliance material to financial statements noted

_____ yes ✓ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF LOCUST, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

Schedule 6

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



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- » Challenging assumptions about how to exercise leadership in the public sector
- » Developing new conceptual frameworks for addressing policy issues
- » Interrogating the relationship between citizens and their government
- » Understanding the behavioral dimensions of decision making
- » Exchanging ideas with experienced faculty and a diverse group of colleagues
- » Applying lessons in real time using real-life case studies

For three weeks, participants will engage in an interactive classroom where they learn from each other and work together with the faculty on real-life case studies. The classroom serves as a forum for raising urgent issues and practicing the skill of facilitating and maintaining conversations that lead to change.

“The classroom discussions on history – discussions I didn’t have in high school, undergraduate, or even graduate school – gave me the space to reflect on reinventing our current structures to serve the true will of the people.”

– REPRESENTATIVE JANELLE BYNUM
STATE REPRESENTATIVE, OREGON

CURRICULUM

The program curriculum is centered on the case method pioneered at Harvard. Participants will analyze and discuss cases selected to provoke insight into a wide array of strategic management, leadership, and public policy issues. Each case is a real-life situation that stimulates participants to think through problem-solving methods and possible solutions. To bridge the gap between conceptual learning and reality, participants will spend the final weeks working on cases based on the actual challenge faced by members of the cohort.

Key topics covered will include:

- » Leadership: exercising leadership without authority, and analyzing and managing dynamics that impede progress
- » Negotiations: moving beyond positional bargaining to build strong, resilient relationships with key partners
- » Effective Partnerships: creating and managing key relationships for maximum impact.
- » Policy Modeling & Implementation: crafting policy to address critical issues - and how to know when it is successful
- » Urgent & Real-Time Challenges: considering the issues that state and local leaders confront everyday: finance and budgeting, crisis management, community safety, economic development - and more



WHO SHOULD ATTEND

This program is designed for senior-level managers serving in or working with state and local governments, including government officials, elected officeholders, and executives of nonprofit organizations, foundations, and national associations.

Fellowships are available to support participation in the program. For more information and to explore a list of opportunities for individuals applying to Senior Executives in State and Local Government, please visit www.hks.harvard.edu/ee/SLfellowships.

“This program has reinforced my belief that exercising leadership often extends beyond material gains or personal advancement.”

**– MAJOR OSCAR PEREZ
OFFICE OF PROFESSIONAL RESPONSIBILITY
PROVIDENCE POLICE DEPARTMENT**



**TO APPLY OR LEARN ABOUT PROGRAM DATES,
CURRICULUM, TUITION, AND MORE, PLEASE VISIT**

WWW.HKS.HARVARD.EDU/EE/STATEANDLOCAL

Admission is competitive and based on professional achievement and organizational responsibility. There are no formal educational requirements; however, fluency in written and spoken English is a necessity for participation.

This program qualifies for both the Public Leadership Executive Certificate and Public Policy Executive Certificate. Visit www.hks.harvard.edu/ee/certificate to learn more.

FACULTY CHAIR



David C. King is senior lecturer in public policy at Harvard Kennedy School and faculty chair of the MPA programs. He also chairs Harvard's Program for Newly Elected Members of the U.S. Congress. He lectures on the U.S. Congress, political parties, and election reform. Professor King joined the Harvard faculty in 1992.

In the wake of the 2000 presidential elections, Professor King directed the Task Force on Election Administration for the National Commission on Election Reform, chaired by former presidents Gerald Ford and Jimmy Carter. That effort culminated in landmark voting rights legislation signed by President Bush in late 2002. He later oversaw an evaluation and new management structure for the Boston Election Department.

David King is co-author of *The Generation of Trust: Public Confidence in the U.S. Military Since Vietnam* (2003); author of *Turf Wars: How Congressional Committees Claim Jurisdiction* (1997); and co-editor of *Why People Don't Trust Government* (1997). An award-winning speaker, Professor King's work is highlighted in Bill Smoot's *Conversations with Great Teachers* (2010).

"I would urge anyone in public service to try to take advantage of this outstanding program. It made me better equipped to work with and negotiate with colleagues to cause meaningful legislation to be passed."

**- HONORABLE MARY BROADAWAY
STATE REPRESENTATIVE
ARKANSAS GENERAL ASSEMBLY**

YOU'RE HERE TO MAKE A DIFFERENCE.SM

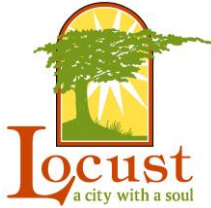


HARVARD Kennedy School
Executive Education

WWW.HKS.HARVARD.EDU/EE/STATEANDLOCAL

79 JFK Street
Cambridge, MA 02138 USA
Phone: +1-617-496-9000
Email: exed@hks.harvard.edu





City of Locust
Post Office Box 190
Locust, North Carolina 28097-0190
(704) 888-5260

Purchase Order Requests – 1/11/2024- **Revised**

Purchase Request # 5175

Vendor: Kluttz Discount tire

For: 6 - Tires for PW/Street vehicles

Total Invoice Amount: \$ 1,332.00

Charge Code: 011-005-04400-53105 PW – Fleet Maintenance

For: \$ 460.00

Remaining Budget: \$ 8,582.15

Charge Code: 011-005-04500-53105 PW – Fleet Maintenance

For: \$ 872.00

Remaining Budget: \$ 8,658.66

Purchase Request # 5177

Vendor: Uwharrie Bank – credit card

For: Lowe's – Storage for Christmas Decorations

Amount: \$ 1,188.52

Charge Code: 011-005-04400-55500 PW – Capital Outlay

Remaining Budget: \$ 1,406.53

Note: remaining amount is after budget amendment is approved by council.

Purchase Request # 5179

Vendor: Mid-State Metals of the Carolinas

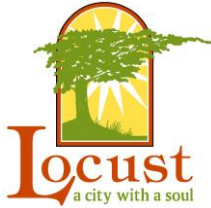
For: Facility Expansion - Storage for Christmas Decorations

Amount: \$ 1,406.16

Charge Code: 011-005-04400-55500 PW – Capital Outlay

Remaining Budget: \$ 0.37

Note: remaining amount is after budget amendment is approved by council.



City of Locust
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Locust, North Carolina 28097-0190
(704) 888-5260

Purchase Order Requests – 1/11/2024 - Revised

Purchase Request # 5180

Vendor: Fortiline, Inc.

For: WW System Maintenance – Vacuum Repairs - BHVSSB

Total Invoice Amount: \$ 1,408.00

Charge Code: 061-005-07400-54103 WW – Emergency Expense

Remaining Budget: \$ 25,944.95

Purchase Request # 5188

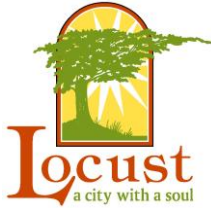
Vendor: Mission Communications LLC

For: WW System Maintenance – Wetwell Main. Level Switches

Total Invoice Amount: \$ 3,045.00

Charge Code: 061-005-07400-53100 WW – Supplies

Remaining Budget: \$ 20,854.15



City of Locust
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(704) 888-5260

Requested Budget Amendments 1/11/2024

General Fund

Revenues:

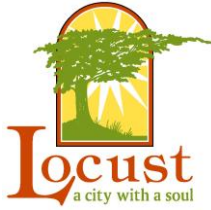
\$15,420.00 011-004-03830-03831 Interest General Fund

\$15,420.00 **Total Revenue Increase**

Expenditures:

\$12,000.00 011-005-04100-56106 Admin – Tax Fees
\$3,420.00 011-005-04200-56108 Senior Center (Architect Fees)
\$20,058.00 011-005-04400-55500 Public Works – Capital Outlay
(\$20,058.00) 011-005-04500-55500 Streets – Capital Outlay

\$15,420.00 **Total Expenditure Increase**



City of Locust
Post Office Box 190
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Requested Budget Amendments 1/11/2024

WasteWater Fund

Revenues:

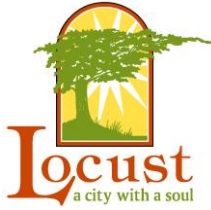
\$1,066.00 061-004-03000-03065 WW – Interest Income

\$1,066.00 **Total Revenue Increase**

Expenditures:

\$62.00 061-005-07100-52108 Legal Fees
\$1,004.00 061-005-07500-55508 Capital Project – N Basin

\$1,066.00 **Total Expenditure Increase**



City of Locust
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Requested Budget Amendments 1/11/2024

AMERICAN RESCUE FUND

Revenues:

\$280,931.00

066-002-02100-02155 ARP – Unearned Revenue

\$280,931.00

Total Revenue Increase

Expenditures:

\$280,931.00

066-005-05000-01000 American Rescue Expenses

\$280,931.00

Total Expenditure Increase

Locust Wastewater
Monthly Metering

Monthly Wastewater Flow Recordings

<u>Date</u>	<u>Time</u>	<u>Meter</u>	<u>Daily Total</u>	<u>Recorded Rain Fall(")</u>
Friday, December 1, 2023	11:59:59 PM	289117.8	289117.8	0.06
Saturday, December 2, 2023	11:59:59 PM	589252.2	300134.4	0.06
Sunday, December 3, 2023	11:59:59 PM	912015.0	322762.8	0.06
Monday, December 4, 2023	11:59:59 PM	1210439.0	298424.1	
Tuesday, December 5, 2023	11:59:59 PM	1501155.3	290716.3	
Wednesday, December 6, 2023	11:59:59 PM	1783867.8	282712.5	
Thursday, December 7, 2023	11:59:59 PM	2075638.4	291770.6	
Friday, December 8, 2023	11:59:59 PM	2363691.2	288052.8	
Saturday, December 9, 2023	11:59:59 PM	2660646.2	296955.0	
Sunday, December 10, 2023	11:59:59 PM	3296316.2	635670.0	2.22
Monday, December 11, 2023	11:59:59 PM	3882840.6	586524.4	0.13
Tuesday, December 12, 2023	11:59:59 PM	4228791.6	345950.9	
Wednesday, December 13, 2023	11:59:59 PM	4546646.6	317855.0	
Thursday, December 14, 2023	11:59:59 PM	4864997.2	318350.6	
Friday, December 15, 2023	11:59:59 PM	5177358.4	312361.3	
Saturday, December 16, 2023	11:59:59 PM	5490642.8	313284.4	
Sunday, December 17, 2023	11:59:59 PM	6210140.6	719497.8	1.78
Monday, December 18, 2023	11:59:59 PM	6666992.5	456851.9	
Tuesday, December 19, 2023	11:59:59 PM	7022417.2	355424.7	
Wednesday, December 20, 2023	11:59:59 PM	7365486.3	343069.1	
Thursday, December 21, 2023	11:59:59 PM	7686047.5	320561.3	
Friday, December 22, 2023	11:59:59 PM	8013062.8	327015.3	
Saturday, December 23, 2023	11:59:59 PM	8347603.1	334540.3	
Sunday, December 24, 2023	11:59:59 PM	8660160.6	312557.5	
Monday, December 25, 2023	11:59:59 PM	8950772.5	290611.9	0.14
Tuesday, December 26, 2023	11:59:59 PM	9649666.6	698894.1	2.21
Wednesday, December 27, 2023	11:59:59 PM	10554905.6	905239.1	0.32
Thursday, December 28, 2023	11:59:59 PM	11000610.6	445705.0	
Friday, December 29, 2023	11:59:59 PM	11374545.0	373934.4	
Saturday, December 30, 2023	11:59:59 PM	11727633.4	353088.4	
Sunday, December 31, 2023	11:59:59 PM	12082575.3	354941.9	
Monthly Total			12082575.3	6.98
Daily Average		389760.49		



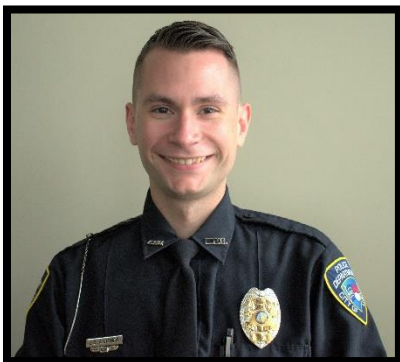
DECEMBER 2023 SUMMARY

DECEMBER 2023*

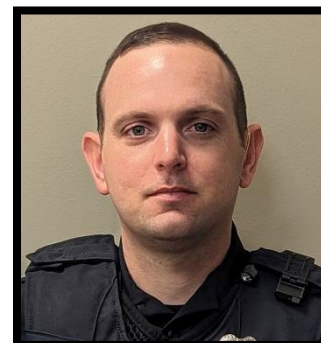
CATEGORY	AMOUNT
Total Offenses Reported	152
Incident Reports Taken	130
Business And Neighborhood Patrols	2,911
Arrest Charges	35
Citation Charges	215
Warnings Issued	174
Traffic Crashes Reported	20

***2023 ANNUAL REPORTS SHOULD BE READY BY MID-JANUARY**

December 2023 Co-Officers of the Month



PO2 Josh D. Gardner



Officer Eric P. Fore

Gardner - *39 Citation Charges And 18 Warnings Issued

*Department Leading 16 Arrest Charges Including 1 DWI And Felony Drug Arrest

Fore - *259 Field Contacts, 15 Citation Charges And 19 Warnings Issued

*4 Arrest Charges Including 3 DWI Arrests



LOCUST POLICE DEPARTMENT CITIZEN OF THE YEAR



2023

Chaplain Mario J. Miller

The term “Citizen of the Year” is described by some organizations as “an individual who has performed exemplary deeds or services for their city or their fellow citizens”, and an individual that “exhibits a strong sense of selflessness, caring, and responsibility”. In 2021, the Locust Police Department established an annual Citizen of the Year honor to recognize the citizen that through their good deeds and positive contributions to the City of Locust or Locust Police Department has best exemplified those descriptions. 2023’s honoree personifies more than any other those traits that were described and has made those traits his daily mission in life spreading joy and the love of Jesus to all he meets with the motto of “Get excited and stay encouraged today!”

Chaplain Mario Miller is a United States’ Army veteran who served his country for 16 years including tours in Grenada, Honduras, Operation Desert Storm/Desert Shield and Operation Restore Hope in Somalia. Chaplain Miller has dedicated his post-service life ministering to ALL with a focus on helping widows and the homeless community. He moved with his family to Locust close to two years ago, and he immediately began making a positive impact in his visits to Locust businesses and in his interactions with Locust residents and visitors. Chief Shew has affectionately dubbed Chaplain Miller’s approach with all he meets as “The Miller Experience”, but what that means is that Mario is going to make sure anyone he comes in contact with that he puts a smile on their face, that they are encouraged, prayed for, helped if it is needed, and most importantly that they know about Jesus and how much he loves them.

In March 2023, Locust officers responded to a suicide threat in the parking lot of Wal-Mart. They learned the individual was a homeless military veteran who had lost most of what he had and was at the point of despair in his circumstances. Locust officers contacted Chaplain Miller about the man and Mario immediately began seeking him out. When he made contact, he spent most of a day with the veteran learning his story, buying him breakfast and lunch, and arranging to get him some help with some of the issues he was having. He also learned that he had been estranged for years from his family in another state. Chaplain Miller’s conversations with the veteran through encouragement and prayer convinced the veteran to reach out to his son. The result was a well overdue reconciliation between father and son who took his father in to help him get back on his feet. Since that time, that veteran and his family are still together, and the veteran also has found gainful employment.

As a result of his outstanding service and outreach both in the City of Locust and everywhere he goes I, Chief of Police Jeff B. Shew am most honored to present the 2023 Locust Police Department Citizen of the Year award to my friend Chaplain Mario J. Miller. Thank you for the outstanding job you do and for representing the very best of the City of Locust!

Signed And Awarded This 11th Day Of January, 2024

Jeff B. Shew
Chief Of Police

Kevin R. O'Connor
Assistant Chief Of Police

Planning and Zoning

December 2023

2 Remodel permits

1 Storage Building

2 Signs

3 Rooftop solar

2 Fence

1 Conditional rezoning
Carpenter

172 New house as of 12/31/2023



City of Locust
Post Office Box 190
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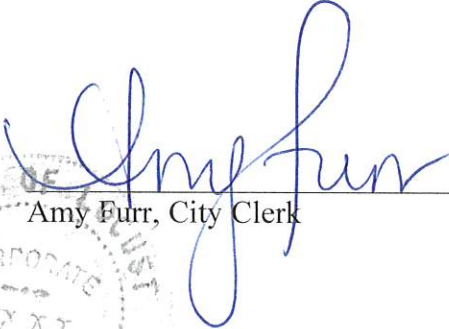
CERTIFICATE OF SUFFICIENCY

To the City Council of the City of Locust, North Carolina:

I, Amy Furr, City Clerk for the City of Locust, do hereby certify that I have investigated the attached petition for B&C Land Farming, LLC PIN# 557604828727 and hereby make the following findings:

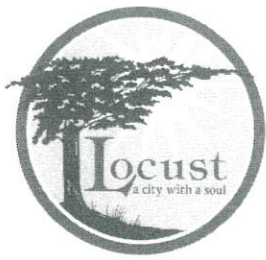
- a. The petition contains an adequate property description of the area proposed for annexation.
- b. The area described in the petition is contiguous to the City of Locust's corporate limits, as defined by G.S. 160A-31.
- c. The petition is signed by and includes the addresses of all owners of real property lying in the area described therein.

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Locust, this the 27th day of December 2023.



Amy Furr, City Clerk





City of Locust

Post Office Box 190
Locust, North Carolina 28097-0190
(704) 888-5260

CERTIFICATE OF SUFFICIENCY

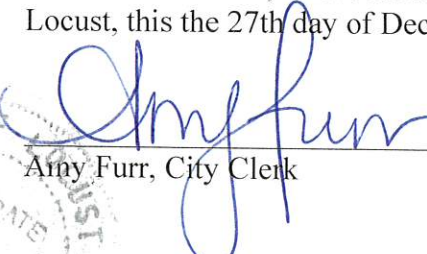
To the City Council of the City of Locust, North Carolina:

I, Amy Furr, City Clerk for the City of Locust, do hereby certify that I have investigated the attached petition for Kevin & Kelly O'Connor PIN# 557604827518 and hereby make the following findings:

I further find that the area meets the standards for a noncontiguous area as specified in G.S. 160A-58.1(b), in that:

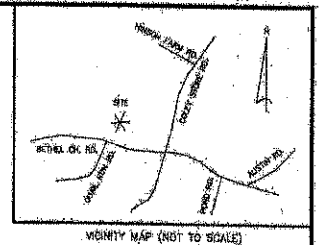
1. The petition includes a metes and bounds description of the area proposed for annexation and has attached a map showing the proposed satellite area in relation to the primary corporate limits.
2. The petition includes the names and addresses of all owners of real property lying in the area described therein.
3. The petition includes the signatures of all owners of real property lying in the area described therein, except those not required to sign by G.S. 160A-58.1(a).
4. The nearest point on the proposed satellite corporate limits is no more than three (3) miles from the primary corporate limits of the City of Locust;
5. No point on the proposed satellite corporate limits is closer to the primary corporate limits of any municipality other than the City of Locust;
6. The satellite area is so situated that the City of Locust will be able to provide the same services as are provided within its primary corporate limits;
7. To the extent that the proposed satellite area contains any portion of a subdivision, the entire subdivision is included;
8. The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits of the City of Locust does not exceed ten percent (10%) of the area within the primary corporate limits of the City of Locust.

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Locust, this the 27th day of December 2023.



Amy Furr, City Clerk





LINE TABLE
CENTERLINE CALLS FOR
NEW 20' EASEMENT

LINE	BEARING	DISTANCE
L1	N 28°10'48" E	207.24
L2	N 27°58'58" E	27.73
L3	N 31°30'58" E	28.54
L4	N 34°26'31" E	83.89
L5	N 28°42'48" E	28.26
L6	N 23°51'00" E	38.85
L7	N 17°13'13" E	183.36
L8	N 20°35'41" E	62.94
L9	N 26°17'28" E	35.32
L10	N 30°24'30" E	58.94
L11	N 45°19'18" E	15.53
L12	N 49°49'49" E	28.70
L13	N 54°28'36" E	39.70
L14	N 57°45'57" E	38.38
L15	N 49°19'26" E	61.07

LINE TABLE
FOR NEW LOT CALLS

DESCRIPTION	LINE	BEARING	DISTANCE
NEW LINE	L16	S 65°31'57" E	108.50
NEW LINE	L17	S 12°01'24" W	201.27
NEW LINE	L18	N 80°14'08" W	184.37
NEW LINE	L19	N 11°51'58" E	64.59
NEW LINE	L20	N 11°31'58" E	202.03

LEGEND
UP UTILITY POLE
OHV OVERHEAD UTILITY LINES
R/W RIGHT OF WAY
CL CENTERLINE
DR DRAINAGE

NOTE: THIS PROPERTY IS ZONED OPR IN THE
LOCAL ZONING JURISDICTION.
SETBACKS ARE AS FOLLOWS:
15' FRONT
5' SIDE
15' REAR

NOTE: INTERIOR BOUNDARY ONLY PARTIALLY
LOCATED BY SURVEY.

NOTE: LOTS 1 IS CURRENTLY SERVED BY
AN EXISTING WELL & SEPTIC SYSTEM.

TOTAL AREA SURVEYED: 0.99 ACRE

NOTE: NO N.C. OR CONTROL MARKERS
WERE FOUND WITHIN 2000 FEET OF SITE.

NOTE: ALL DISTANCES SHOWN HEREON ARE
MEASURED HORIZONTAL DISTANCES IN FEET
UNLESS NOTED OTHERWISE.

NOTE: ALL LINES SHOWN HEREON ARE OLD
(EXISTING) PROPERTY LINES UNLESS
NOTED OTHERWISE.

NOTE: THIS SURVEY IS SUBJECT TO ANY FACTS
THAT MAY BE DISCLOSED BY A FULL AND
ACCURATE TITLE SEARCH.

NOTE: THIS MAP OR DRAWING AND ANY
ACCOMPANYING DOCUMENT ARE FURNISHED TO
THE PERSON(S) NAMED THEREON AND IS
FOR THEIR EXCLUSIVE USE.
NO ALTERATIONS ARE PERMITTED BY
ANYONE UNLESS AUTHORIZED BY
ROGELL E. HUNTSUCKER & ASSOCIATES, INC.

NOTE: THE PROPERTY SHOWN HEREON IS
NOT LOCATED IN A HAZARDOUS FLOOD
AREA AS DETERMINED BY FIRM
FLOOD INSURANCE RATE MAP
COMMUNITY MAP NUMBER 371057600 J
EFFECTIVE DATE: SEPTEMBER 3, 2008.

OWNER AT TIME OF SURVEY
CRAFT HOLDINGS, LLC
2848 WRECKKNOWLEDGE CENTRE DR. - STE. 107
MONROE NC 28111-9425

DEED REFERENCES:
D.E. 1175, P. 772,
PARCEL ID # 537604828727

MINOR SUBDIVISION & NEW EASEMENT SURVEY FOR

CRAFT HOLDINGS, LLC

OWNER: CRAFT HOLDINGS, LLC
LOCATED IN FOUR TOWNSHIP, STANLEY CO., N.C.
SCALE 1" = 200'
28 JUNE 2011 FILE NO. 1106A
ROGELL E. HUNTSUCKER & ASSOCIATES, INC.
ROGELL E. HUNTSUCKER P.L.S. L-2488
P.O. BOX 760 ALBEMARLE, N.C.
28002-0760 (704) 882-1529

NOTE:
THE NEW 20' EASEMENT IS A
TEMPORARY EASEMENT THAT IS
TO BE EXTINGUISHED UPON SUBDIVISION
OF THE REMAINDER OF THE PARENT
TRACT AND WILL ONLY BE EXTINGUISHED
ONCE PROPER ACCESS IS PROVIDED
TO THE 0.99 ACRE LOT BY A NEW
INTERIOR ROAD OF A NEW MAJOR SUBDIVISION
AND WILL BE TRIGGERED BY THE
RECORDATION OF SAID SUBDIVISION PLAT
IN THE STANLEY COUNTY REGISTRY.

I, ROGELL E. HUNTSUCKER, CERTIFY THAT THIS
MAP WAS DRAWN UNDER MY SUPERVISION
FROM AN ACTUAL SURVEY MADE UNDER MY
SUPERVISION FROM DEED DESCRIPTIONS RECORDED
IN DEED BOOK 1175, PAGE 772, THAT THE 14.00
OF PRECISION AS COMPUTED BY LATITUDES AND
DEPARTURES IN 1:10,000 AND WAS BALANCED
BY THE COMPOUND RULE, AND THAT THIS MAP MEETS
THE REQUIREMENTS OF THE STANDARDS OF PRACTICE
FOR LAND SURVEYING IN NORTH CAROLINA (21 NCAC 06.1600)
AND IS PREPARED IN ACCORDANCE WITH G.S. 47-30
AS AMENDED.



I, ROGELL E. HUNTSUCKER, CERTIFY TO ONE OF THE FOLLOWING:

- ☒ A: THAT THIS SURVEY IS A SUBDIVISION OF LAND WITHIN THE AREA OF A COUNTY OR MUNICIPALITY THAT HAS AN ORDINANCE THAT REGULATES PARCELS OF LAND.
- ☐ B: THAT THIS SURVEY IS LOCATED IN A PORTION OF A COUNTY OR MUNICIPALITY THAT IS UNINCORPORATED AS TO AN ORDINANCE THAT REGULATES PARCELS OF LAND.
- ☐ C: ANY ONE OF THE FOLLOWING: (1) THAT THIS SURVEY IS OF AN EXISTING PARCEL OF LAND AND DOES NOT CREATE A NEW STREET OR DRIVE, AN EXISTING STREET, OR THAT THIS SURVEY IS OF AN EXISTING EASEMENT OR OTHER EASEMENT, OR THAT THIS SURVEY IS OF A WATERCOURSE, OR (2) THAT THIS SURVEY IS A CONTROL SURVEY.
- ☐ D: THAT THIS SURVEY IS OF ANOTHER CATEGORY, THE REGENERATION OF EXISTING PARCELS, A COURT-ORDERED SURVEY, OR OTHER EXEMPTION TO THE CATEGORY OF A SUBDIVISION.
- ☐ E: THAT THE INFORMATION AVAILABLE TO THE SURVEYOR IS SUCH THAT THE SURVEYOR IS UNABLE TO MAKE A DETERMINATION TO THE BEST OF THE SURVEYOR'S PROFESSIONAL ABILITY AS TO THE PROVISIONS CONTAINED IN (A) THROUGH (D) ABOVE.

STATE OF NORTH CAROLINA
COUNTY OF STANLEY

Michael M. Sandy
REVENUE OFFICER OF STANLEY COUNTY
I CERTIFY THAT THE PLAT TO WHICH THIS CERTIFICATION
IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS
FOR RECORDATION.

Michael M. Sandy 12-29-15
REVENUE OFFICER DATE

CERTIFICATE OF OWNERSHIP & DECLARATION

I, HEREBY CERTIFY THAT I AM THE OWNER OF
THE PROPERTY SHOWN AND DESCRIBED HEREON,
AND THAT I HEREBY ADOPT THIS PLAN OF SUBDIVISION
WITH MY FREE CONSENT, AND DELEGATE ALL RIGHTS,
ALERTS, WAIVER, PARS, AND OTHER SITES AND EASEMENTS
TO PUBLIC OR PRIVATE USE AS NOTED FURTHERMORE.
I DELEGATE ALL OTHER LINES AND ALL WATER LINES
TO THE CITY OF LOUIST, NORTH CAROLINA.

Capital Kelm 12/29/15
OWNER DATE

I, *Scott E. Ebel* 12-29-15
BY HEREBY APPROVE:
THIS MAP OF SUBDIVISION, PARTIALLY NEW EASEMENT
SURVEY FOR ROBERT F. HUNTER, FOR RECORDATION IN THE STANLEY CO. PLAT REGISTRY.

CITY OFFICIAL

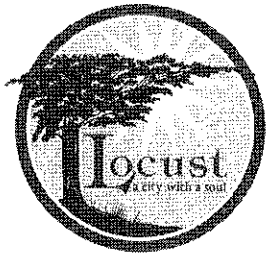
Filed: 12/29/2015 02:58:48 PM
Suzanne W. Lowder, Register of Deeds
Stanley County, NC
Suzanne W. Lowder

BOOK 24 PAGE 233(1) 377785



200 100 0 200
SCALE IN FEET





City of Locust
Post Office Box 190
Locust, North Carolina 28097-0190
(704) 888-5260

**RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION
OF ANNEXATION PURSUANT TO G.S. 160A-31**

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the Locust City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

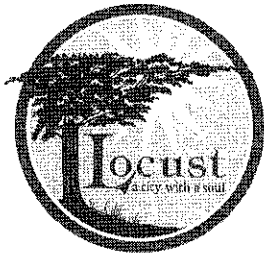
WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Locust, North Carolina that:

Section 1. A public hearing on the question of annexation of the area described herein will be held at the Joel Huneycutt Community Room at 7:00pm or soon thereafter on February 8, 2024.

Section 2. The area proposed for annexation is described as follows:
B&C Land Farming, LLC PIN 557604828727

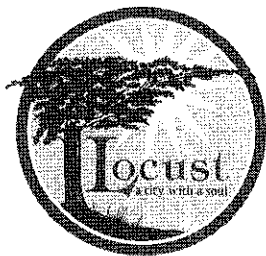
BEGINNING at a point in the centerline of Bethel Church Rd (S.R. 1200), being the common corner of the property of Donna Pauline Smallwood (now or formerly) recorded in Deed Book 1291 Page 158; thence following the centerline of Bethel Church Rd and with the existing city limits line six (6) calls: (1) with a bearing of S 72°13'10.6" E and a distance of 139.36' to a point; (2) with a bearing of S 73°04'13.211" E and a distance of 487.831' to a point; (3) with a bearing of S 75°04'10.4" E and a distance of 51.701' to a point; (4) with a bearing of S 76°23'15.1" E and a distance of 51.35' to a point; (5) with a bearing of S 77°38'12.2" E and a distance of 51.28' to a point; (6) with a bearing of S 79°31'12.6" E and a distance of 27.111' to a point; thence leaving the existing city limits line with a bearing of S 33°10'12.511" W and a distance of 232.121' (passing a set rebar at 32.53') to an existing pipe, being the common corner of the property of Clay Van Eudy (now or formerly) recorded in Deed Book 146 Page 290; thence following the common line thereof with a bearing of S 86°36'15.911" E and a distance of 483.181' to an existing bent rebar in the centerline of a private gravel road, said rebar being on the western line of the property of Johnny W Dulin (now or formerly) recorded in Deed Book 706 Page 804; thence following the common line thereof with a bearing of S 05°46'12.611" E and a distance of 368.661' to an existing rebar, being the common corner of the property of Jose Antonio Garcia



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Puebla (now or formerly) recorded in Deed Book 1782 Page 1047; thence following the common line thereof six (6) calls: (1) with a bearing of S 85°20'10.611" W and a distance of 12.771' to an existing rebar; (2) with a bearing of S 76°02'15.5" W and a distance of 381.861' to an existing pipe; (3) with a bearing of S 73°35'10.911" W and a distance of 219.60' to an existing rebar; (4) with a bearing of S 13°43'13.2" E and a distance of 169.871' to an existing rebar; (5) with a bearing of S 23°59'12.611" W and a distance of 291.59' to an existing rebar; (6) with a bearing of S 12°25'41" W and a distance of 158.14' to an existing pipe on the northerly line of the property of Roger Dale Love (now or formerly) recorded in Deed Book 1800 Page 1565; thence following the common line thereof and the common line of the property of Vallie B Efird heirs (now or formerly) recorded in Deed Book 237 Page 410, the property of Dianne Harvell Taylor (now or formerly) recorded in Deed Book 1500 Page 481, the property of Maureen Harvell (now or formerly) recorded in Deed Book 1500 Page 481, and the property of Terry O Page (now or formerly) recorded in Deed Book 302 Page 266 with a bearing of N 85°58'37" W and a distance of 556.59' to an existing axle, being the common corner of Page; thence following the common line of Page and the common line of the property of Mahdi Investments LLC (now or formerly) recorded in Deed Book 1814 Page 468 with a bearing of S 32°57'50" W and a distance of 457.29' (passing an existing pipe at 217.32', an existing rebar at 228.67', and an existing pipe at 239.95') to an existing pipe by a stone, said pipe being the southwesterly corner of Plat Book 4, Page 20, and being the common corner of the property of Gary E Thomas (now or formerly) recorded in Deed Book 1088 Page 261; thence following the common line thereof two (2) calls: (1) with a bearing of S 03°35'57" W and a distance of 834.70' to an existing pipe; (2) with a bearing of S 71°03'43" E and a distance of 656.91' (passing an existing pipe at 633.69') to a point in the centerline of Coley Store Rd (S.R. 1211); thence following said centerline three (3) calls: (1) with a bearing of S 36°07'17" W and a distance of 201.39' to a point; (2) with a bearing of S 36°56'44" W and a distance of 181.17' to a point; (3) with a bearing of S 36°35'38" W and a distance of 5.07' to a point, being the common corner of the property of Kevin Allan Mitchell (now or formerly) recorded in Deed Book 1811 Page 327 and shown as Tract 1 on Plat Book 21 Page 71; thence following the common line thereof six (6) calls: (1) with a bearing of N 55°26'38" W and a distance of 51.15' to an existing rebar; (2) with a bearing of N 75°53'31" W and a distance of 302.13' to an existing rebar; (3) with a bearing of N 67°01'53" W and a distance of 49.22' to an existing rebar; (4) with a bearing of N 57°27'17" W and a distance of 38.00' to an existing rebar; (5) with a bearing of S 34°15'19" W and a distance of 266.92' to an existing rebar; (6) with a bearing of S 57°34'56" E and a distance of 408.37' (passing an existing rebar at 365.49') to a point in the centerline of Coley Store Rd; thence following said centerline five (5) calls: (1) with a bearing of S



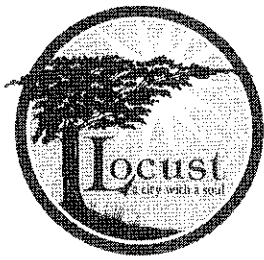
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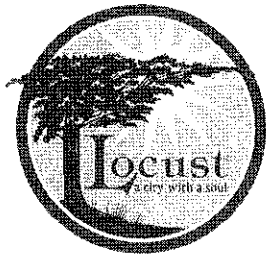
35°05'59" W and a distance of 136.86' to a point; (2) with a bearing of S 31°32'15" W and a distance of 68.77' to a point; (3) with a bearing of S 30°28'54" W and a distance of 69.26' to a point; (4) with a bearing of S 30°27'53" W and a distance of 39.94' to a point; (5) with a bearing of S 28°51'53" W and a distance of 36.12' to a point, being the common corner of the property of Ernest A Linker (now or formerly) recorded in Deed Book 745 Page 455; thence following the common line thereof two (2) calls: (1) with a bearing of N 45°01'57" W and a distance of 423.14' to an existing rebar; (2) with a bearing of N 79°28'59" W and a distance of 1117.34' to an existing pipe, being the common corner of the property of Kim D Pampas (now or formerly) recorded in Deed Book 1378 Page 215 and shown as Lot 4 on Plat Book 22, Page 232; thence following the common line thereof with a bearing of N 00°06'38" E and a distance of 1528.36' (passing an existing pipe at 817.30, the southeastern corner of Lot 3 of said plat) to an existing pipe, being the common corner of the property of Janet S James (now or formerly) recorded in Deed Book 1055 Page 72; thence following the common line thereof three (3) calls: (1) with a bearing of S 86°23'10" E and a distance of 194.33' to an existing pipe; (2) with a bearing of N 00°11'40" E and a distance of 509.27' to an existing concrete monument; (3) with a bearing of S 87°24'102" W and a distance of 854.03' to an existing rebar, being a common corner of the property of Tower Asset Sub Inc (now or formerly) recorded in Deed Book 707 Page 973; thence following the common line thereof with a bearing of N 05°17'13" W and a distance of 720.71' to a set rebar in the centerline of a 60' private right of way (recorded in Deed Book 375 Page 497); thence following the centerline thereof five (5) calls: (1) with a bearing of N 89°21'45" E and a distance of 14.01' to a point; (2) with a bearing of N 87°12'58" E and a distance of 294.67' to an existing rebar; (3) with a bearing of N 88°44'5211 E and a distance of 299.881 to an existing rebar; (4) with a bearing of N 83°54'21" E and a distance of 91.71' to an existing rebar; (5) with a bearing of N 72°50'04" E and a distance of 72.20' to an existing rebar, being the common corner of the property of Cody L Walden (now or formerly) recorded in Deed Book 1366 Page 750 and shown on Plat Book 22 Page 201; Thence following the common line thereof seven (7) calls: (1) with a bearing of S 08°11'104" E and a distance of 134.67' to an existing rebar; (2) with a bearing of S 27°49'25" E and a distance of 157.28' to an existing rebar; (3) with a bearing of S 48°12'17" E and a distance of 93.15' to an existing rebar; (4) with a bearing of N 59°30'11" E and a distance of 63.32' to an existing rebar; (5) with a bearing of N 05°32'144" E and a distance of 77.99' to an existing rebar; (6) with a bearing of N 28°54'46" W and a distance of 150.82' to a point; (7) with a bearing of N 33°42'31" W and a distance of 157.93' to an existing rebar in the centerline of the private 60' right of way; thence following the centerline thereof six (6) calls: (1) with a bearing of N 46°41'49" E and a distance of 72.20' to an existing rebar; (2) with a bearing of N 33°39'24" E and a



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distance of 99.831 to an existing rebar; (3) with a bearing of N 27°20'11.911" E and a distance of 222.59' to an existing rebar (4) with a bearing of N 25°41'41" E and a distance of 310.89' to a point; (5) with a bearing of N 23°52'53" E and a distance of 329.75' to a point; (6) with a bearing of N 23°53'12.9" E and a distance of 29.92' to a point in the centerline of Bethel Church Rd; thence following the centerline of Bethel Church Rd two (2) calls: (1) with a bearing of N 66°52'28" W and a distance of 61.51' to a point; (2) with a bearing of N 64°03'01" W and a distance of 81.63' to a point, being the common line of the property of William Dale Stirewalt, et al (now or formerly) recorded in Deed Book 1812 Page 1300; thence following the common line thereof with a bearing of N 09°58'40" E and a distance of 258.49' (passing an existing rebar at 31.23') to a set rebar on the existing city limits line; thence following the existing city limits line and the line of Stirewalt with a bearing of N 66°54'14.6" W and a distance of 172.70' (passing an existing rebar at 156.43') to an existing concrete monument, being the common corner of the property of Jeffrey D Bennett (now or formerly) recorded in Deed Book 1703 Page 1474; thence continuing with the existing city limits line and with the common line of Bennett with a bearing of N 74°16'00" W and a distance of 277.64' (passing an existing rebar at 1.41' and an existing pipe at 94.89') to an existing axle, being the common corner of the property of American Billiard Company (now or formerly) recorded in Deed Book 1677 Page 1591, and being on the easterly line of the property of Pistiolis Legacy Trust (now or formerly) recorded in Deed Book 1495 Page 95; thence leaving the existing city limits line and following the common line of Pistiolis Legacy Trust with a bearing of N 00°58'58" W and a distance of 2249.87' to a set rebar on the southern line of the property of Dennis R Liles (now or formerly) recorded in Deed Book 391 Page 999; thence following the southern line thereof with a bearing of N 61°55'07" E and a distance of 425.99' to a point near a disturbed stone; thence following the common line of Liles with a bearing of N 06°15'09" E and a distance of 279.73' to an existing stone, being the common corner of the property of Alonzo Lorenzo Liles (now or formerly) recorded in Deed Book 671 Page 11; thence following the existing city limits line with a bearing of S 84°43'37" E and a distance of 989.99' (passing an existing pipe at 605.64') to an existing pipe; thence following the existing city limits line three (3) calls: (1) with a bearing of S 00°03'43" W and a distance of 1086.35' to a point; (2) with a bearing of S 64°41'36" E and a distance of 820.50' to a point; (3) with a bearing of S 06°07'59" W and a distance of 1465.25' to an existing pipe, being the common corner of the property of Donna Pauline Smallwood (now or formerly) recorded in Deed Book 1291 Page 158; thence following the common line thereof and with the existing city limits line two (2) calls: (1) with a bearing of N 72°58'46" W and a distance of 138.82' to an existing pipe; (2) with a bearing of S 07°59'57" W and a distance



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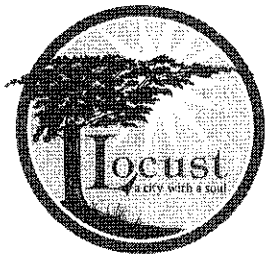
of 632.35' (passing an existing pipe at 589.56') to a point in the centerline of Bethel Church Rd, being the point of BEGINNING.

Less and except the following two (2) tracts which are encompassed by the previous description:

(1) Commencing at a point in the centerline of Bethel Church Rd (S.R. 1200), being the common corner of the property of Donna Pauline Smallwood (now or formerly) recorded in Deed Book 1291 Page 158; thence with a bearing of N 08°26'44" W and a distance of 1018.94' to an existing rebar, being the point of BEGINNING, said rebar being the corner of the property of Kevin & Kelly O'Connor (now or formerly) recorded in Deed Book 1551 Page 1015 and being shown as Lot 1 on Plat Book 24, Page 233; thence following the line of O'Connor four (4) calls: (1) with a bearing of S 89°55'47" W and a distance of 184.36' to a point; (2) with a bearing of N 10°32'43" E and a distance of 266.62' to a point; (3) with a bearing of S 69°51'12" E and a distance of 188.50' to a point; (4) with a bearing of S 11 °52'09" W and a distance of 201.27' to a point; being the point of BEGINNING.

(2) Commencing at a point in the centerline of Bethel Church Rd (S.R. 1200), being the common corner of the property of Donna Pauline Smallwood (now or formerly) recorded in Deed Book 1291 Page 158; thence with a bearing of N 72°02'06" W and a distance of 358.71' to a point in the centerline of Bethel Church Rd, being the common corner of the property of Barry Keith Blackwelder (now or formerly) recorded in Deed Book 1801 Page 150, being the point of BEGINNING; thence following the common line thereof with a bearing of S 06°59'34" W and a distance of 292.82' (passing a set rebar at 30.56', and an existing rebar at 258.17' to an existing rebar; thence continuing with the common line of Blackwelder and the property of Eddie W & Deborah H Barbee (now or formerly) recorded in Deed Book 1640 Page 1040 with a bearing of N 87°51'10" W and a distance of 583.22' to an existing stone; thence following the common line of Barbee with a bearing of N 06°57'24" W and a distance of 478.97' (passing an existing pipe at 446.98') to a point in the centerline of Bethel Church Rd; thence following said centerline three (3) calls: (1) with a bearing of S 72°46'58" E and a distance of 259.53' to a point; (2) with a bearing of S 73°14'18" E and a distance of 187.73' to a point; (3) with a bearing of S 73°04'47" E and a distance of 260.07' to a point, being the point of BEGINNING.

Having an area of 288.479 acres, more or less, as shown on a survey by Carolina Surveyors, Inc.



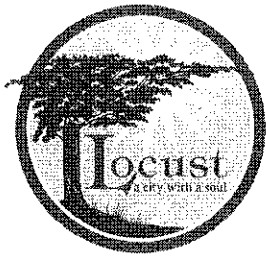
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Section 3. Notice of the public hearing shall be published once in the Stanly News and Press, a newspaper having general circulation in the City of Locust, at least 10 days prior to the date of the public hearing.

Amy Furr, City Clerk

Stephen Huber, Mayor



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**RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION
OF ANNEXATION PURSUANT TO G.S. 160A-58.2
FOR NON-CONTIGUOUS ANNEXATION**

WHEREAS, a petition requesting annexation of the non-contiguous area described herein has been received; and

WHEREAS, the Locust City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Locust, North Carolina that:

Section 1. A public hearing on the question of annexation of the non-contiguous area described herein will be held at the Joel Huneycutt Community Room at 7:00pm or soon thereafter on February 8, 2024.

Section 2. The area proposed for annexation is described as follows:
O'Connor PIN 557604827518

Commencing at a point in the centerline of Bethel Church Rd (S.R. 1200), being the common corner of the property of Donna Pauline Smallwood (now or formerly) recorded in Deed Book 1291 Page 158; thence with a bearing of N 08°26'44" W and a distance of 1018.94' to an existing rebar, being the point of BEGINNING, said rebar being the corner of the property of Kevin & Kelly O'Connor (now or formerly) recorded in Deed Book 1551 Page 1015 and being shown as Lot 1 on Plat Book 24, Page 233; thence following the line of O'Connor four (4) calls: (1) with a bearing of S 89°55'47" W and a distance of 184.36' to a point; (2) with a bearing of N 10°32'43" E and a distance of 266.62' to a point; (3) with a bearing of S 69°51'12" E and a distance of 188.50' to a point; (4) with a bearing of S 11°52'09" W and a distance of 201.27' to a point; being the point of BEGINNING; having an area of 0.986 acres, more or less, as shown in a survey by Carolina Surveyors, Inc.

Section 3. Notice of the public hearing shall be published once in the Stanly News and Press, a newspaper having general circulation in the City of Locust, at least 10 days prior to the date of the public hearing.

Amy Furr, City Clerk

Stephen Huber, Mayor



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MEMORANDUM

Date: January 5, 2024
From: Cesar Correa, City Manager
To: Mayor & City Council
Subject: Zoning Amendment (Conditional) – Kolter Homes

BACKGROUND & PETITION INFORMATION

On November 21, 2023 the City of Locust received an application for a Conditional Zoning Amendment (Exhibit #1) for the property shown on the attached zoning map (Exhibit 2). The specifics of the rezoning application are as follows:

Applicant: Cresswind at Rocky River

Owner Information: Kolter Group Acquisitions LLC

Existing Zoning: Open Space (OPS)

Proposed Zoning: Open Space - Conditional (OPS-C)

Permitted Uses: Age restricted (55+), active retirement community consisting of 1,105 units as depicted in the attached site plan (Exhibit 3) The developer has agreed to site-specific conditions (outlined in the Memorandum of Understanding) for the development of this project.

Parcel ID Numbers: Stanly County PINs#: 5576-0482-8727, 5576-0471-5582 (only 8.27 acres of this parcel), 5576-0494-3737, 5586-0302-3332, 5586-0303-7868, 5586-0303-2576, 5586-0304-4056, 5576-0286-3292, 5576-0481-7397, and 5576-0482-7518

Area in Acres: The parcels total 507.7 acres according to Stanly County GIS.

Site Description: This property is located off Bethel Church Road, Mission Church Road, and Coley Store Road.

Adjacent Land Use: Institutional and Residential.

Surrounding Zoning: The property is surrounded by residential districts (Open Space and General Residential) on all sides except northwest where a small CBI (Campus Business Institutional) zoning is located for Architectural Casting.

Utility Service Provider: The property will be served by public water through Stanly County Utilities, and sewer collection provided by the City of Locust.

EXHIBITS

1. Application for Zoning Change
2. Zoning Map
3. Site Plan
4. Proposed Elevations

LAND USE PLAN ANALYSIS

The property lies within the area designated on the adopted 2014 Land Use Plan for Low and Medium Density Residential uses.

The 2014 Land Use Plan defines Low Density Residential and Medium Density Residential as follows:

- Low Density Residential: Residential neighborhoods and areas that feature lots in excess of $\frac{3}{4}$ acre. These areas require less infrastructure (curb and gutter, sidewalks, public water and sewer, etc.), maximize the preservation of open space, and are characterized by larger lots in established neighborhoods or residential areas.
- Medium Density Residential: Residential neighborhoods and areas that feature lots sized from $\frac{1}{2}$ acre up to $\frac{3}{4}$ acre. These areas often feature traditional neighborhood development and can contain scattered multi-family residential complexes or units. These areas require more infrastructure.

The property is currently zoned Open Space (OPS), with nearly half of the parcel already incorporated in Locust city limits. The remaining portion of the parcel submitted voluntary annexation on November 21, 2023. In addition, the remaining portion is currently within the City's ETJ (Extra-Territorial Jurisdiction).

The proposed development is inconsistent with the 2014 Land Use Plan. However, the amendment is reasonable because the proposed development is expected to generate sustainable residential development, without impact to the Stanly County School System, and significant impact to the local economy.

SITE SPECIFIC CONDITIONS

Applicant agrees to provide the following:

1. Age restricted (55+), active retirement community. No full-time residents under the age of 18.
2. Site-specific conditions outlined in Memorandum of Agreement.
3. Off-site traffic improvements as determined by City of Locust and NCDOT.

FINDINGS AND CONCLUSIONS

The applicant submitted a Site Plan (Exhibit #3) and proposed elevations (Exhibit #4) for the overall development of the property that will be attached to the approval of the conditional rezoning should the City choose to support this request.

Staff has reviewed the Site Plan and finds that it meets the standards of the City of Locust Land Development Ordinance.

POLICY IMPLICATIONS

The City of Locust Land Development ordinance and the North Carolina General statutes require the Planning & Zoning Board to make a recommendation on the zoning amendment.

On November 28, 2023, the Locust Planning & Zoning Board reviewed the zoning amendment petition and voted to recommend **approval** of the proposed Open Space – Conditional (OPS-C) zoning designation.

Notice of the meeting and this agenda item have been publicized, letters have been mailed to all adjacent property owners within 500ft of the subject property, and a zoning hearing sign has been posted on the property.

The Council may vote to recommend approval, denial, or to modify the recommended classification in accordance with the adopted 2014 Land Use Plan.

SUGGESTED MOTION LANGUAGE

The following suggested motion language is provided as a guideline to assist City Council with references required for zoning amendments. The language may be altered as deemed appropriate by any member of the City Council in the making of a motion.

Suggested motion: “To approve the conditional rezoning request designating the subject property as Open Space – Conditional (CC-C) with the associated site plan, proposed elevations, and site-specific conditions to be inconsistent with the 2014 Land Use Plan.



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Application for Conditional Zoning Change

Date: November 21, 2023

Applicant Name: _____

Company Name (if applicable): Kolter Group Acquisitions LLC

Address: 8913 Silver Springs Ct, Charlotte, NC 28215

Phone Number: (704) 575 - 9310

Address of Property Change: Bethel Church Rd, Coley Store Rd, Mission Church Rd

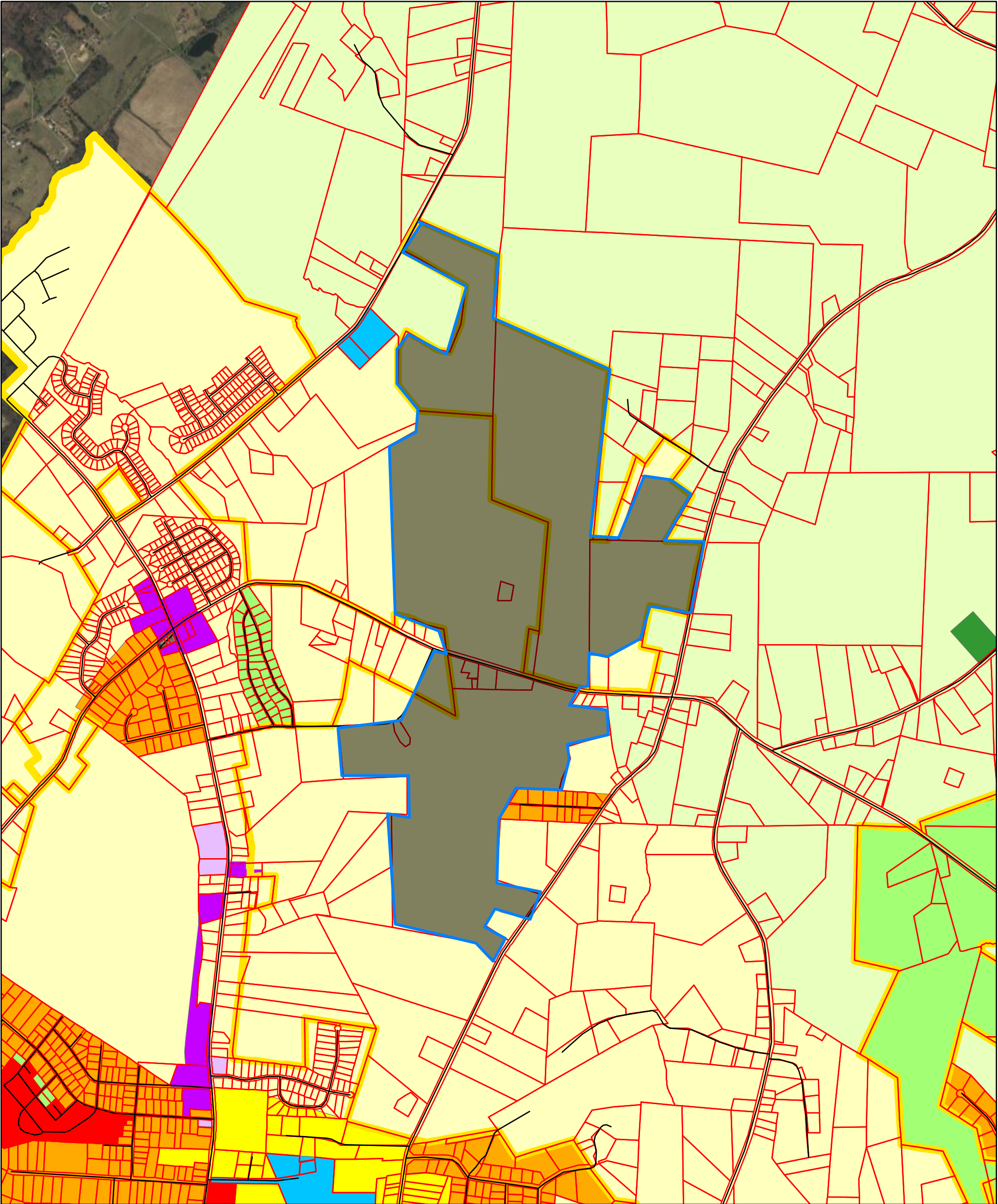
Present Zoning District: Stanly County Open Space District

Requested Zoning District: OPS Conditional – Open Space Conditional (Locust)

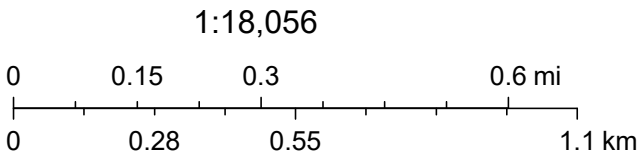
Applicant Signature: Emily Powell Emily Powell
2023.11.21 08:
34:17 -05'00'

The following information is required with the application:

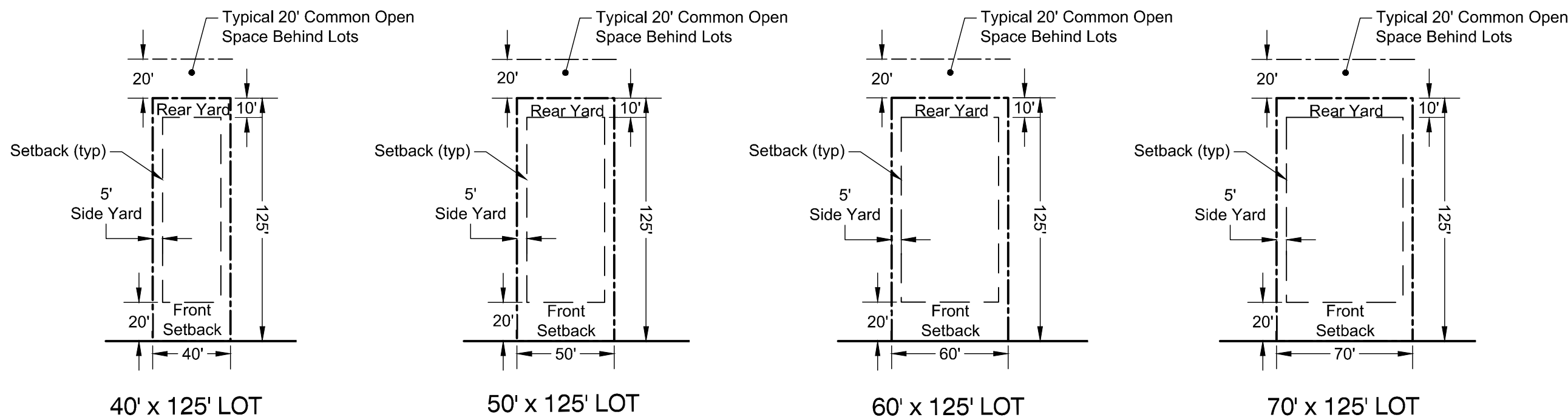
- (1) Map of the property to be rezoned, accurate description to show the following:
 - a. All property lines with dimensions, north arrow.
 - b. Names and addresses of adjoining landowners.
 - c. Location of all existing structures, use of all land.
 - d. Zoning classifications of all abutting zoning districts.
- (2) Comprehensive site plan.
- (3) Color renderings of the exterior.
- (4) Comprehensive landscape plan
- (5) All signage “monument and building “
- (6) A fee of \$500 (non- refundable) must accompany this application.



1/8/2024, 10:54:49 AM



Esri, NASA, NGA, USGS, FEMA, Esri Community Maps Contributors, Cabarrus County Government, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS



TYPICAL LOT DIMENSIONS

DEVELOPMENT DATA

Site Information:

Total Site Acreage:	514.5 Ac.
North Site:	341.1 Ac.
South Site:	173.4 Ac.
Total Rezoning Acreage:	507.7 Ac.

(Only 8.27 acres of this parcel to be included in this rezoning)

Acreage Information:

Total Open Space Required:	10% (51.4 Ac.)
Total Open Space Provided:	
With Ponds:	51.6% (265.7 Ac.)
Without Ponds:	42.1% (216.7 Ac.)

Building Setbacks:

Primary:	20'
Side Yard:	5'
Side Yard (Corner Lot):	10'
Rear Yard:	10'

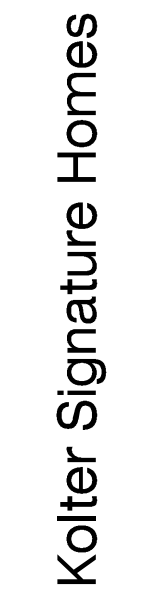
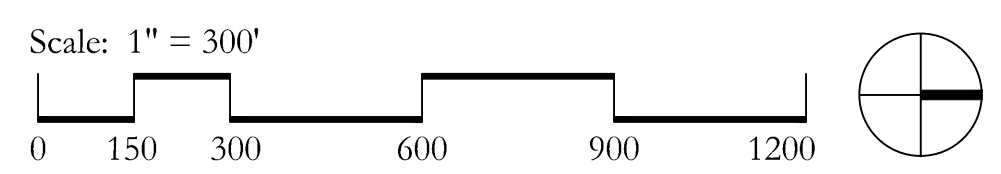
Lot Information:

Proposed Lot Sizes:

- 40' x 125'
- 50' x 125'
- 60' x 125'
- 70' x 125'

Total Lots Proposed:	North Site	South Site
- 40' Lots: 174 (15.7%)	104	70
- 50' Lots: 559 (50.6%)	357	202
- 60' Lots: 369 (33.4%)	255	114
- 70' Lots: 3 (0.2%)	3	---
1105	719	386

Proposed Density: 2.2 dua



REVISIONS:

Cresswind At Rocky River
Locust, NC

REZONING SITE PLAN

 $EAL(S)$

DESIGN BY: DesignXXX	MM/DD/YY
DRAWN BY: DrawnXXX	MM/DD/YY
CHECKED BY: CheckXXX	MM/DD/YY
APPROVED BY: AppXXX	MM/DD/YY

PROJECT/TRACKING #

INTERNAL: 651215/1-00
MUNICIPAL: MuniNumber

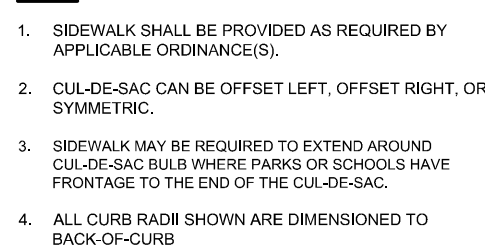
ORIGINAL DATE: 10/05/2023

SHEET L-1

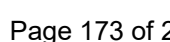
CANOPY TREES SHALL BE PLANTED AT A SPACING NOT TO EXCEED 40 FEET ON CENTER; WHERE OVERHEAD UTILITY LINES PRECLUDE THE USE OF CANOPY TREES, SMALL MATURING TREES SHALL BE PLANTED 30 FEET ON CENTER, PER LOCUST UDO.

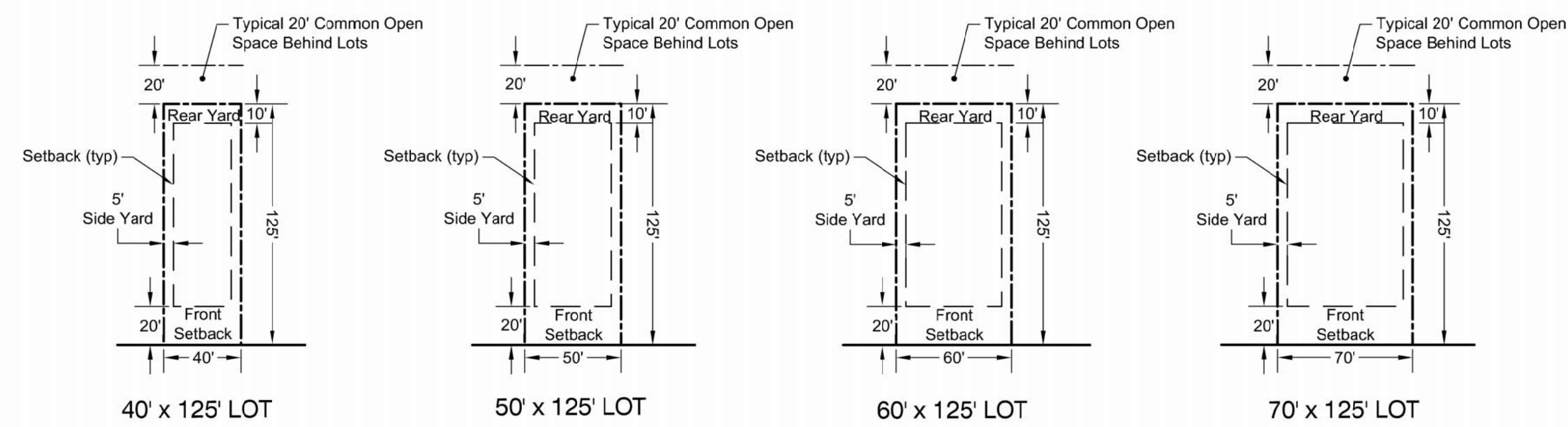


CANOPY TREES SHALL BE PLANTED AT A SPACING NOT TO EXCEED 40 FEET ON CENTER; WHERE OVERHEAD UTILITY LINES PRECLUDE THE USE OF CANOPY TREES, SMALL MATURING TREES SHALL BE PLANTED 30 FEET ON CENTER, PER LOCUST UDO.



NOT TO SCALE





Typical Lot Dimensions



Site Information:

Total Site Acreage:	5145.45 Ac.
North Site:	341.1 Ac.
South Site:	173.4 Ac.
Total Rezonning Acreage:	507.7 Ac.
Tax Parcel Numbers:	
557604828727	
557604715582	(Only 8.27 acres of this parcel to be included in this rezoning)
557604943737	
558603023332	
558603037868	
558603032576	
558603044056	
557602863292	
557604827518	
557604910852	
Zoning Jurisdiction:	Stanly County, NC
Proposed Annexation:	The City of Lenoir
Zoning Classification:	Stanly County - Open Space District
Proposed Zoning:	OPS Conditional- Open Space Conditional

Acreage Information:

Total Open Space Required:	10% (51.4 Ac.)
Total Open Space Provided:	
With Ponds:	51.6% (265.7 Ac.)
Without Ponds:	42.1% (216.7 Ac.)

Building Setbacks:

Primary:	20'
Side Yard:	5'
Side Yard (Corner Lot):	10'
Rear Yard:	10'

Common Open Space Between Backs of Lots to be 20' min.

Lot Information:

Proposed Lot Sizes:

- 40' x 125'
- 50' x 125'
- 60' x 125'
- 70' x 125'

Total Lots Proposed:	North Site	South Site
- 40' Lots: 174 (15.7%)	104	70
- 50' Lots: 559 (50.6%)	357	202
- 60' Lots: 369 (33.4%)	255	114
- 70' Lots: 3 (0.2%)	3	---
1105	719	386

Proposed Density: 2.2 dua

Scale: 1" = 300'



REVISIONS:	
REV / REVISION DESCRIPTION	DATE
	CHANGED BY:

Cresswind At Rocky River
Locust, NC

Lot Type Exhibit

$$\overline{\text{EAL}(S)}$$

	DATE:
DESIGN BY: DesignXXX	MM/DD/YY
DRAWN BY: DrownXXX	MM/DD/YY
CHECKED BY: CheckXXX	MM/DD/YY
APPROVED BY: AppXXX	MM/DD/YY

PROJECT/TRACKING #

INTERNAL: 65121571-00

ORIGINAL DATE: 10/05/2023

[illegible]

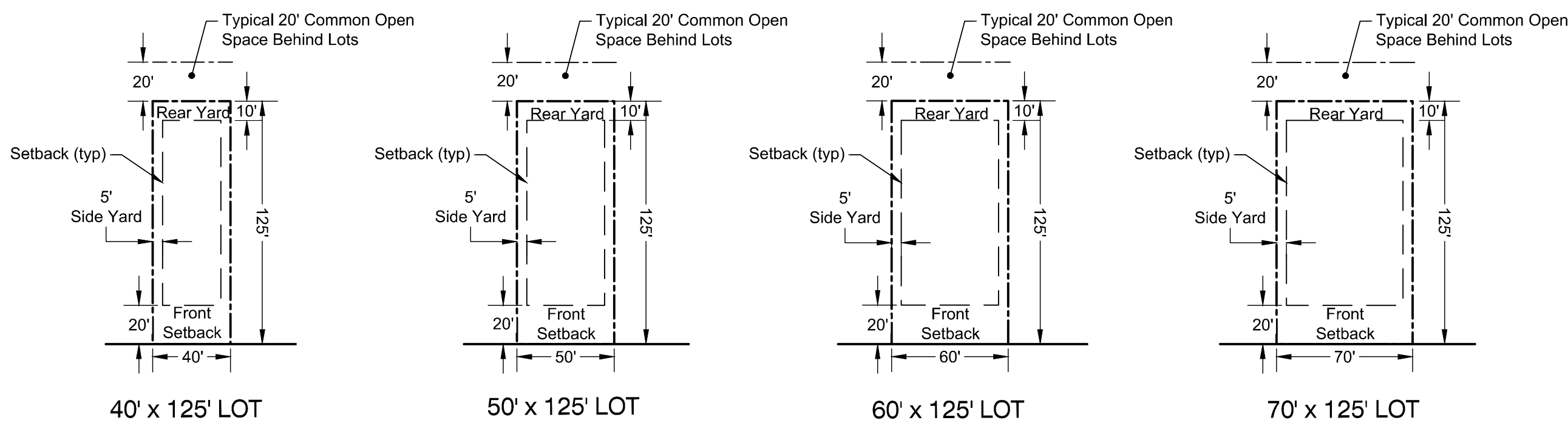
SHEET 1

Exhibit 4









TYPICAL LOT DIMENSIONS

DEVELOPMENT DATA

Site Information:

Total Site Acreage:	514.5 Ac.
North Site:	341.1 Ac.
South Site:	173.4 Ac.
Total Rezoning Acreage:	505.7 Ac.
Tax Parcel Numbers:	
557604828727	
557604715582	(Only 8.27 ac included in I
557604943737	
558603023332	
558603037868	
558603032576	
558603044056	
557602863292	
557604827518	
557604910852	

(Only 8.27 acres of this parcel to be included in this rezoning)

Zoning Jurisdiction: Stanly County, NC
Proposed Annexation: The City of Locust
Zoning Classification: Stanly County - Open Space District
Proposed Zoning: OPS Conditional- Open Space Conditional

Acreage Information:

Total Open Space Required:	10% (51.4 Ac.)
Total Open Space Provided:	
With Ponds:	51.6% (265.7 Ac.)
Without Ponds:	42.1% (216.7 Ac.)

Building Setbacks:

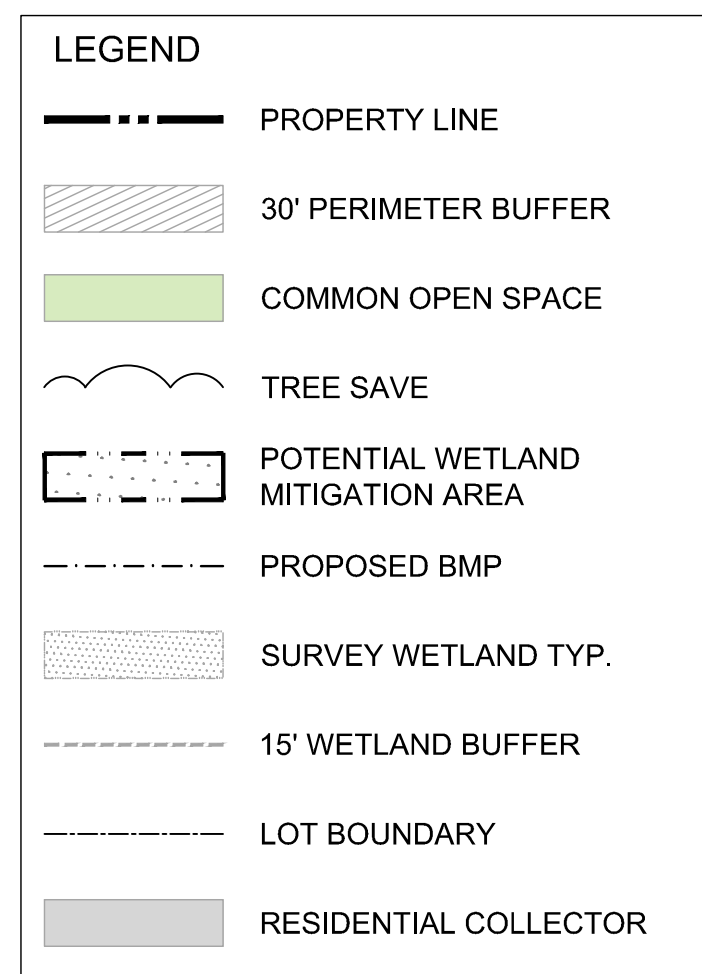
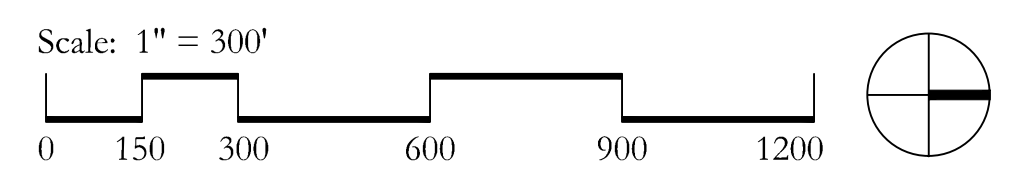
Primary:	20'
Side Yard:	5'
Side Yard (Corner Lot):	10'
Rear Yard:	10'

Lot Information:

Proposed Lot Sizes:

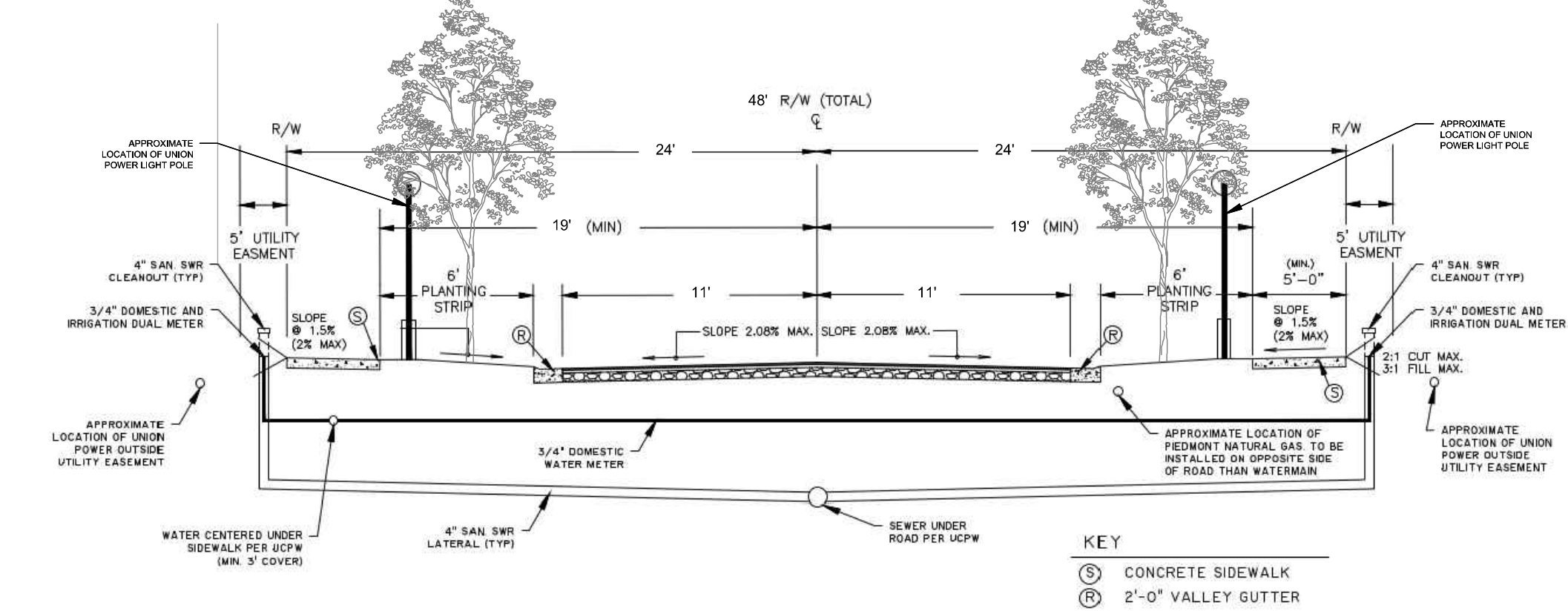
-	40' x 125'		
-	50' x 125'		
-	60' x 125'		
-	70' x 125'		
Total Lots Proposed:		North Site	South Site
-	40' Lots: 176 (15.7%)	106	70
-	50' Lots: 558 (50.6%)	356	202
-	60' Lots: 369 (33.4%)	255	114
-	70' Lots: 2 (0.2%)	2	---
	1105	719	386

Proposed Density: 2.2 dua



NOTE:

CANOPY TREES SHALL BE PLANTED AT A SPACING NOT TO EXCEED 40 FEET ON CENTER. WHERE OVERHEAD UTILITY LINES PRECLUDE THE USE OF CANOPY TREES, SMALL MATURING TREES SHALL BE PLANTED 30 FEET ON CENTER, PER LOCUST LCO.

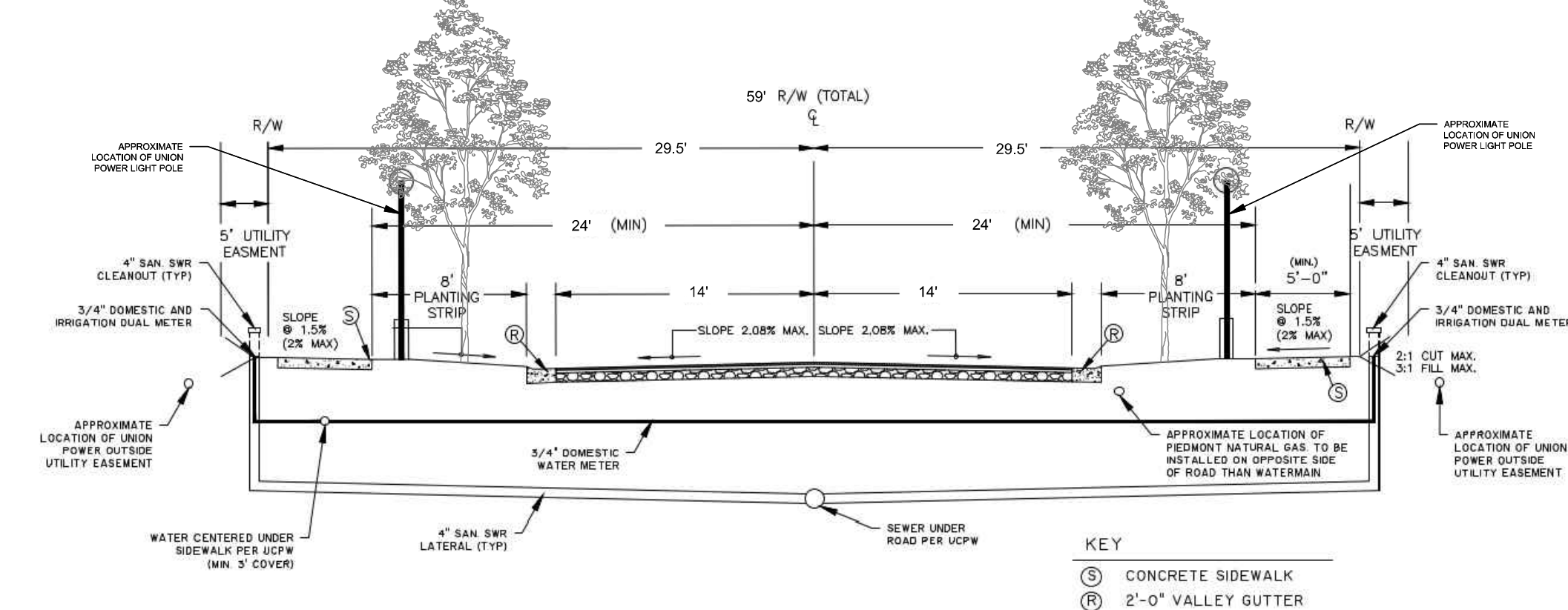


TYPICAL RESIDENTIAL LOCAL SECTION

NOT TO SCALE

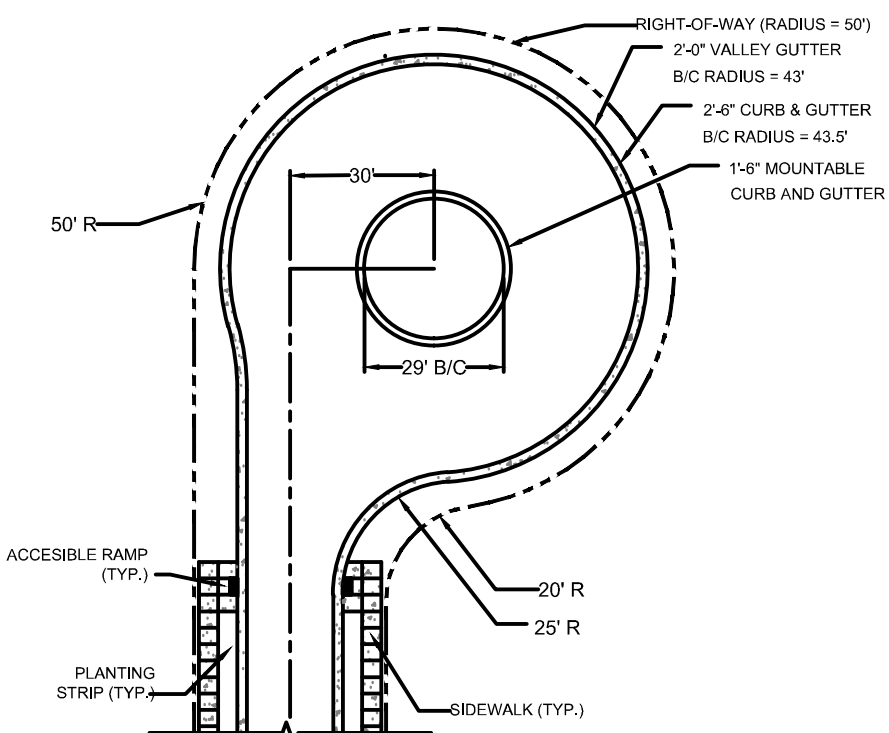
NOTE:

CANOPY TREES SHALL BE PLANTED AT A SPACING NOT TO EXCEED 40 FEET ON CENTER. WHERE OVERHEAD UTILITY LINES PRECLUDE THE USE OF CANOPY TREES, SMALL MATURING TREES SHALL BE PLANTED 30 FEET ON CENTER, PER LOCUST LCO.



TYPICAL RESIDENTIAL COLLECTOR SECTION

NOT TO SCALE

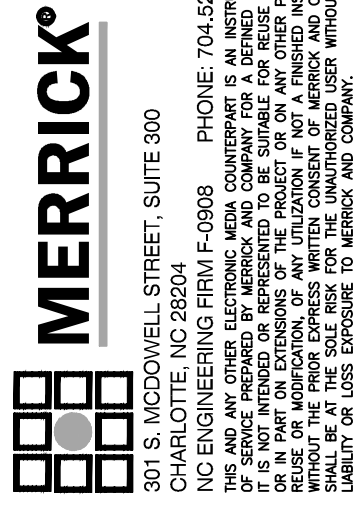


NOTES:

1. SIDEWALK SHALL BE PROVIDED AS REQUIRED BY APPLICABLE ORDINANCE(S).
2. CUL-DE-SAC CAN BE OFFSET LEFT, OFFSET RIGHT, OR SYMMETRIC.
3. SIDEWALK MAY BE REQUIRED TO EXTEND AROUND CUL-DE-SAC R/L.B. THERE PAVING OF SIDEWALKS HAVE FRONTAGE TO THE END OF THE CUL-DE-SAC.
4. ALL CURB RISE SHOWN ARE DIMENSIONED TO BACK-OF-CURB.

OVERSIZED RESIDENTIAL CUL-DE-SAC WITH RAISED PLANTER ISLAND

NOT TO SCALE



Kotler Signature Homes

4807 PCA Blvd
Pine Bluff, AR 71603

REVISIONS:

REVISION DESCRIPTION

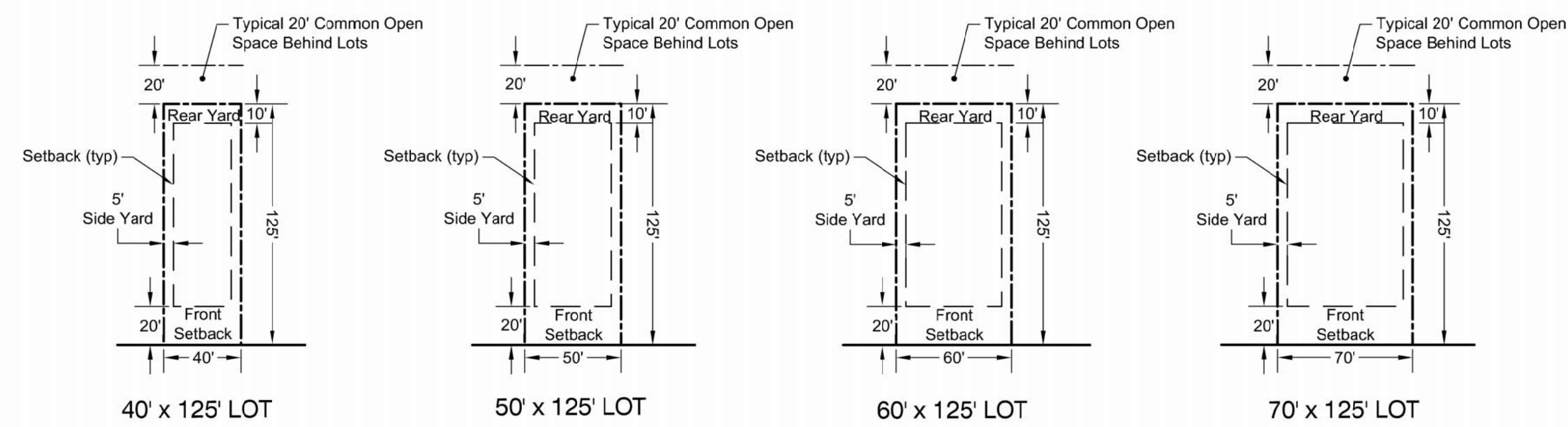
Cresswind At Rocky River
Locust, NC

REZONING SITE PLAN DETAILS

SEAL(S)

DESIGN BY: DesignXXX	MM/DD/YY
DRAWN BY: DrawnXXX	MM/DD/YY
CHECKED BY: CheckXXX	MM/DD/YY
APPROVED BY: AppXXX	MM/DD/YY

PROJECT/TRACKING #
INTERNAL: 65121571-00
MUNICIPAL: MuniNumber
ORIGINAL DATE: 10/05/2023
SHEET L-2



Typical Lot Dimensions

Site Information:

Zoning Jurisdiction: Stanly County, NC
 Proposed Annexation: The City of Locust
 Zoning Classification: Stanly County - Open Space District
 Proposed Zoning: OPS Conditional- Open Space
 Conditional

Acreage Information:

Building Setbacks:

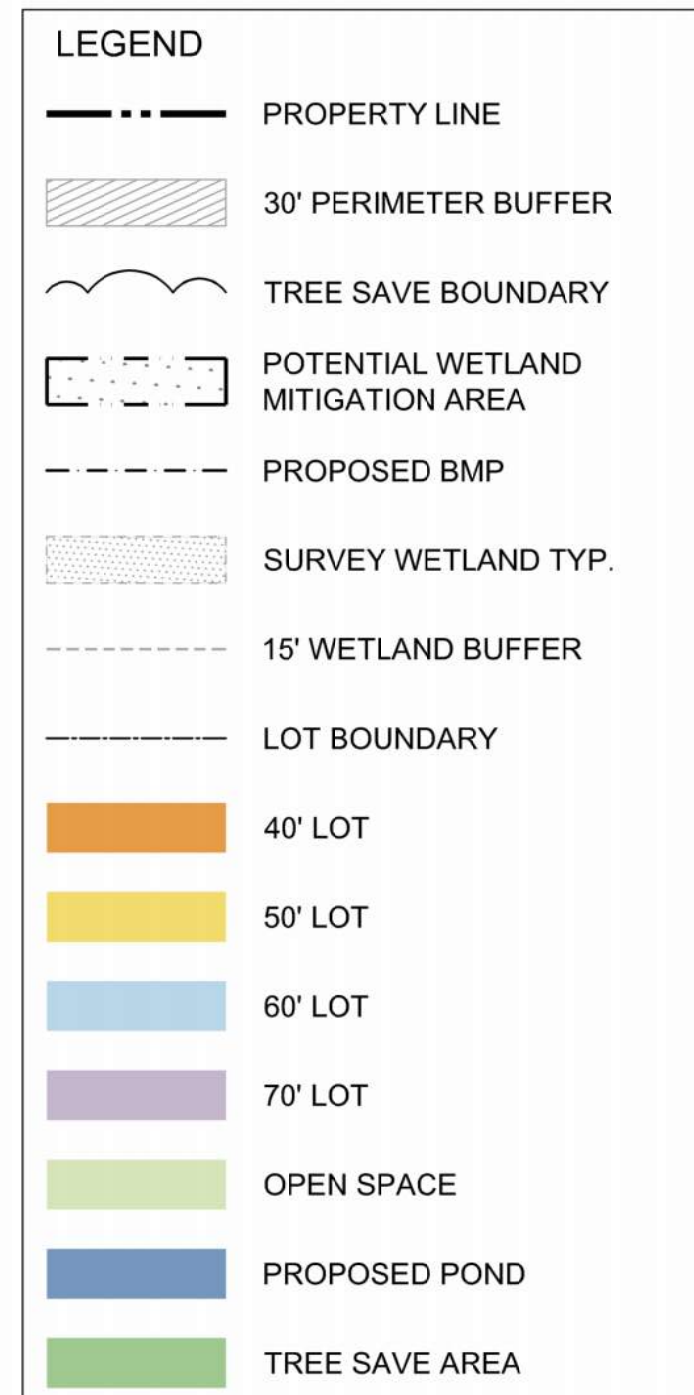
Lot Information:

Proposed Lot Sizes:

Total Lots Proposed:	North Site	South Site
- 40' Lots: 176 (15.7%)	106	70
- 50' Lots: 558 (50.6%)	356	202
- 60' Lots: 369 (33.4%)	255	114
- 70' Lots: 2 (0.2%)	2	---
1105	719	386

Proposed Density: 2.2 dua

Scale: 1" = 300'





CRESSWIND[®]

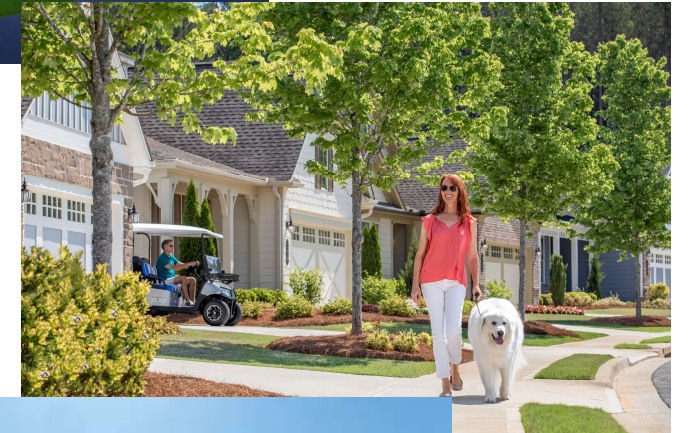
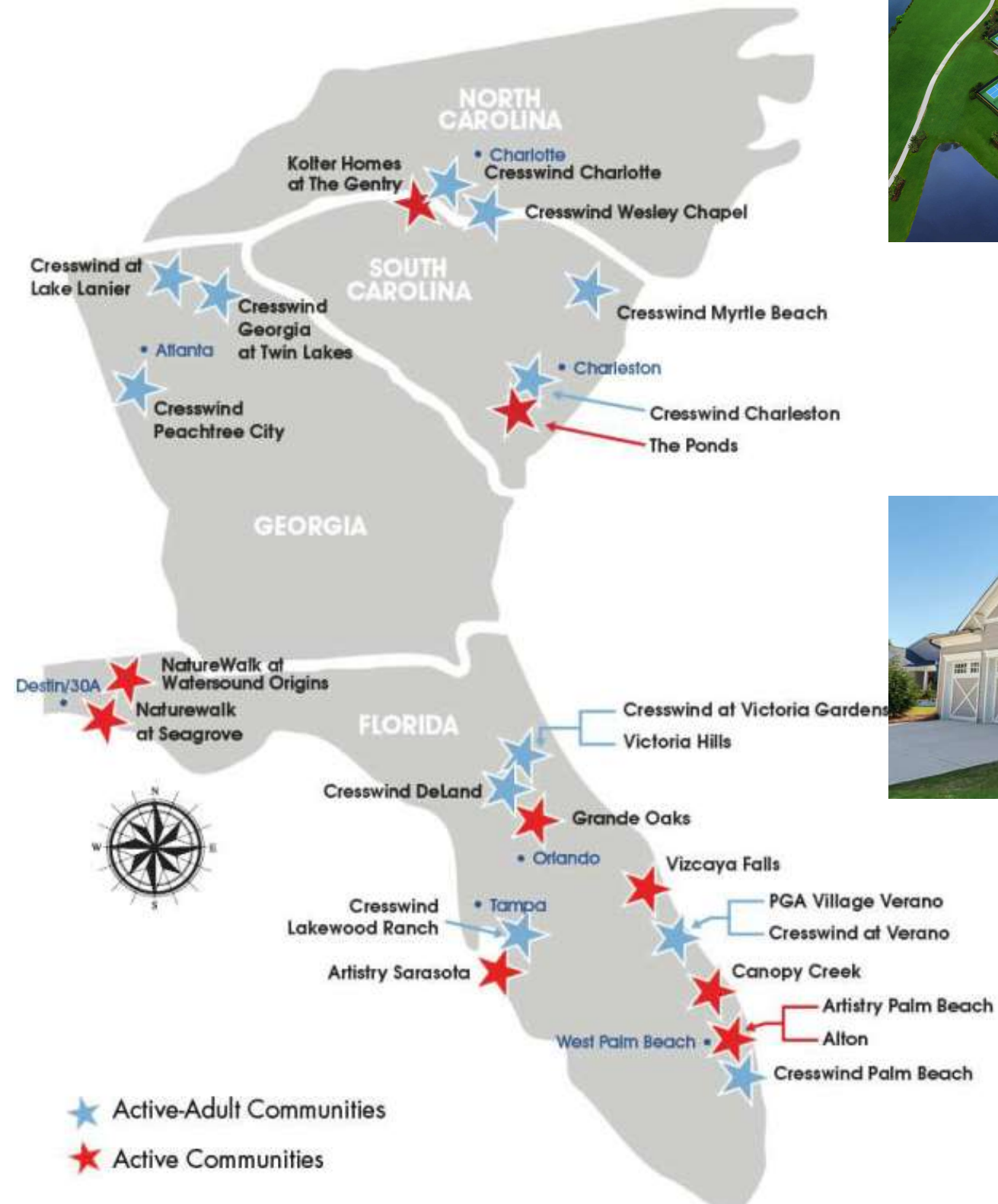
CREATING BETTER COMMUNITIES,
ONE NEIGHBOR AT A TIME.

KOLTERHOMES



- Kolter Homes is proposing an Age-Restricted Active-Adult new home community, utilizing its award-winning Cresswind brand. This requires the Homeowner to be aged 55+ with no children under 18 living in the home.
- 1,105-units on 505-acres (2.2 DU's/acre) will feature all detached homes, on lots of 40' x 125', 50' x 125', and 60' x 125'.
- 11 acres of resident-only clubhouse and outdoor amenities.
- Diverse mix of homesites and floorplan sizes to provide a broad price mix for active adult new homebuyers.
- Proposed home sizes range from 1,430 sf - 2,770 sf across 10 floorplans with 9 elevations for each plan for more unique streetscapes.
- “Forever Home” Buyer mentality demands residences be well-appointed and well-landscaped.
- Low-maintenance homes on private streets.

KOLTER HOMES



CRESSWIND®

Meet Our Residents

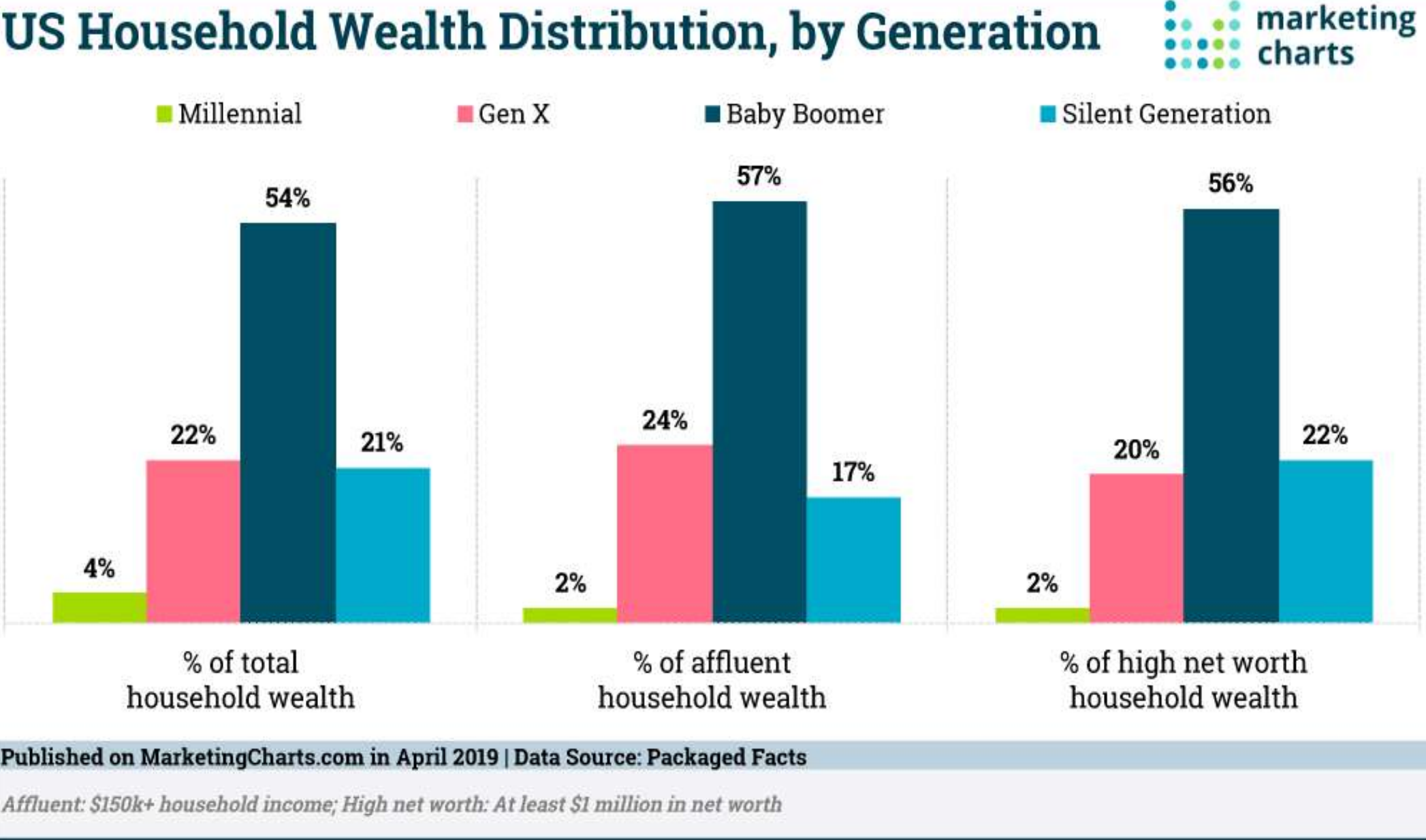
Cresswind Resident Profile:

- A **Consumer** with the **highest levels of Household Wealth** and **Disposable Income**
- A **Resident** who spends **more than a third of their annual income** on local goods & services and generates hundreds of new jobs
- A **Neighbor** who is **on the roads less** during peak hours
- A reliable **Volunteer** who **generously contributes** their time and money to the community
- A **Community** who **pays millions in taxes** while using **fewer municipal services**



CRESSWIND®

Meet Our
Residents

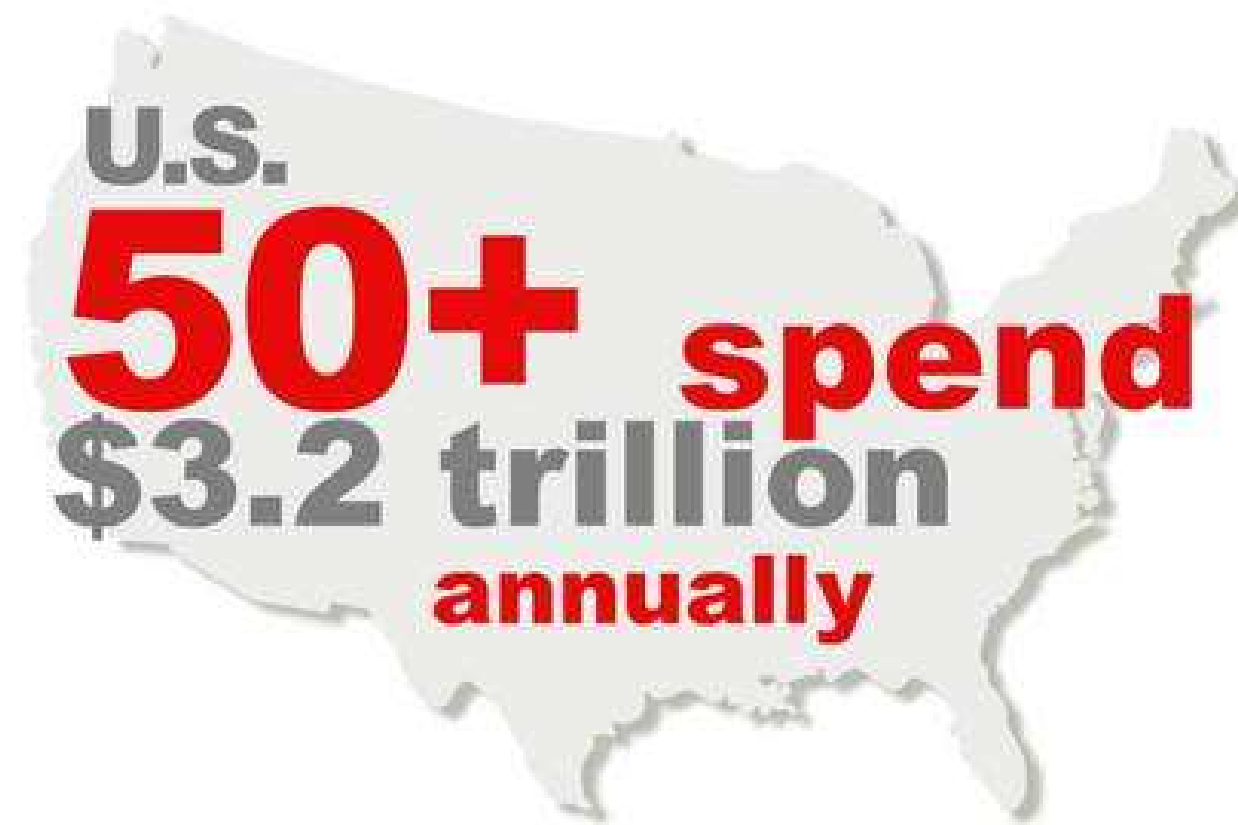


*Boomers are estimated to hold
70% of U.S. disposable income*.*

* source: <https://www.marketingcharts.com/uncategorized-22891>

CRESSWIND®

Meet Our
Residents



**Greater than
the total GDP of
countries such as**

>

Italy Russia
UK Brazil
France

source: U.S. Census Bureau Consumer Expenditure Survey

CRESSWIND®

Meet Our
Residents

The average Boomer (aka “Active Adult”) spends **34% of their income** on **locally produced goods and services**.

Every year, that means a 1,105-home Active Adult community benefits a local economy with an estimated:

- **\$29.2 million spent on local goods & services**
- **760 new jobs created**



*source: author Paul Emrath & Fei Liu, NAHB, Housing Policy presented by the NAHB 50+ Housing Council

Active Adult Transportation Impact:

Active Adult communities generate **just 36% of the AM rush hour trips** of a single-family community. From a Rush Hour impact that means:

**1,105 Home Active Adult Community =
398 Home Traditional Single-Family**

Active Adult communities generate **just 30% of the PM rush hour trips** of a single-family community. From a Rush Hour impact that means:

**1,105 Home Active Adult Community =
331 Home Traditional Single-Family**

CRESSWIND®

Meet Our
Residents

*source: equation per Institute of Transportation Engineers

Active Adult Community Support:

CRESSWIND®

Meet Our
Residents



**Baby Boomers represent
43% of Total Giving**



**This Generation has a
25.7% Volunteer Rate**

Based on 1,105 homes, Cresswind Southern could offer
over 530 local volunteers ready to serve
the future of the area and support local charities.

*source: <https://www.classy.org/blog/infographic-generational-giving/>

Active Adult Water & Sewer Impact:

CRESSWIND®

Meet Our
Residents

Average Water/Sewer Bills in
Single Family Homes by Community Type



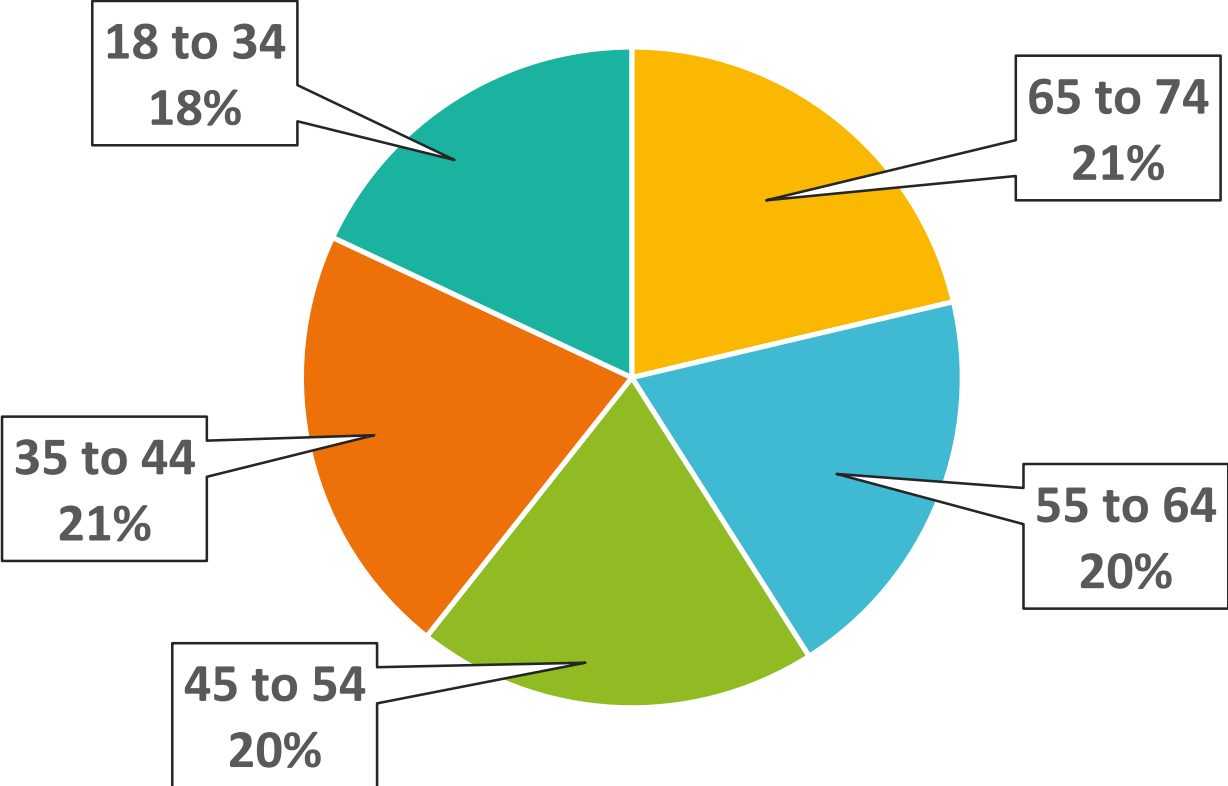
Active Adults use approx. 15% less water and sewer services as compared to Non 55+ Households

*source: <https://www.winchester.us/DocumentCenter/View/1182/Helios---Approving-55-Plus-Housing>

Active Adult Services & Public Safety Impact:

CRESSWIND®
Meet Our
Residents

Ambulance Trips per 1,000 Households by Age



Active Adult communities do not generate additional Ambulance Trips.

*source: <https://www.winchester.us/DocumentCenter/View/1182/Helios---Approving-55-Plus-Housing>

CRESSWIND®

Award-Winning
Lifestyle



NAHB



GAHBA OBIE Award



Where to Retire



NAHB



Silver Aurora Award
Southeastern Builder's Conference



55Places.com



Southeastern
Builder's Conference



55Places.com

CRESSWIND® Cornerstones

- Lifestyle Program has earned “Program of the Year” honors twice from *National Association of Homebuilders*
- Director of Lifestyle to oversee and assist all communities

SET YOURSELF FREE



FITNESS



RELATIONSHIPS



EDUCATION



ENTERTAINMENT



CRESSWIND® LIFESTYLE

Live Better, Longer

CRESSWIND®



CRESSWIND WESLEY CHAPEL – MAIN ENTRANCE
REFERENCE

CRESSWIND®



CRESSWIND WESLEY CHAPEL – MAIN ENTRANCE
REFERENCE

CRESSWIND®



CRESSWIND WESLEY CHAPEL – CLUB CRESSWIND CAMPUS
REFERENCE

CRESSWIND®

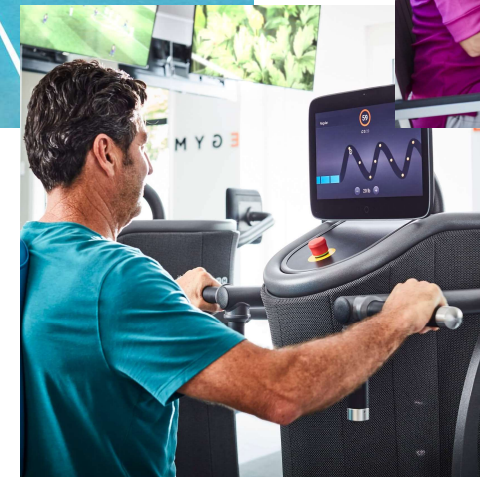


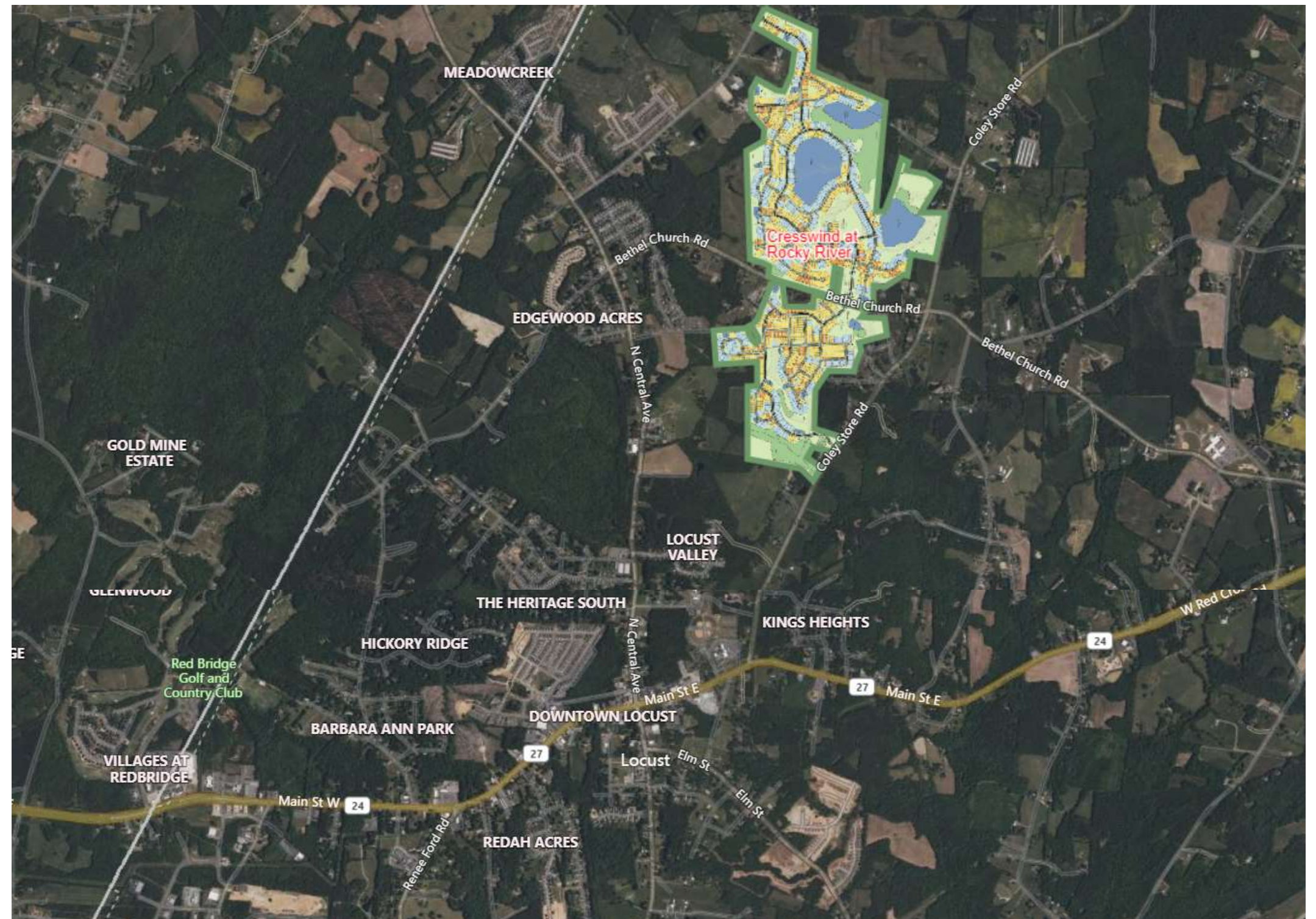
CRESSWIND TWIN LAKES – PICKLEBALL CAMPUS, PHASE 1
REFERENCE



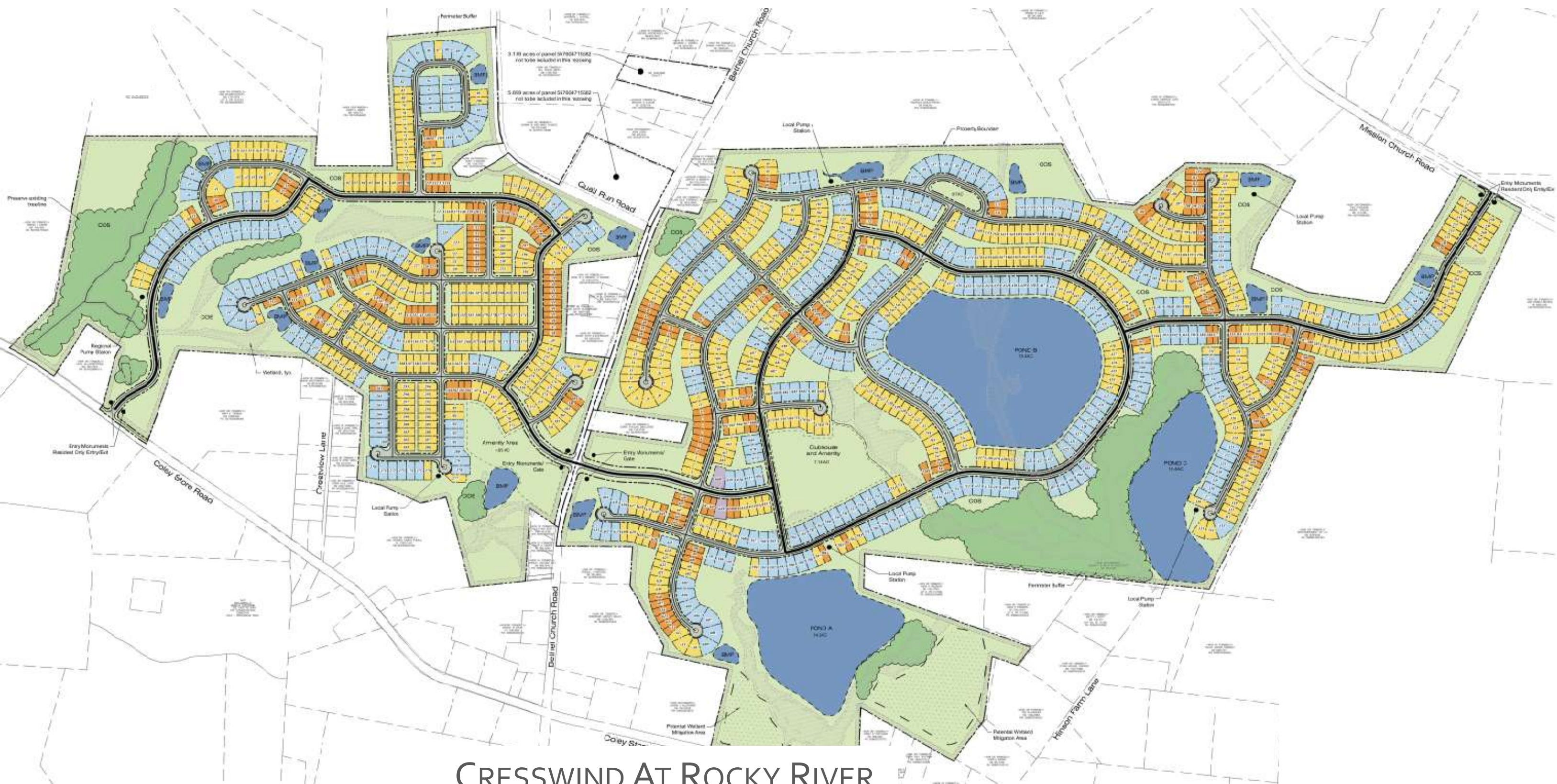
In summary, Cresswind at Rocky River benefits include:

- Attract an Active Adult Resident who:
 - Typically spends more than a third of their annual income on local services
 - Generates hundreds of new jobs
 - Pays millions in taxes while not “taxing” county services such as schools & parks
 - Is not on the road at peak hours
 - Historically volunteers and contributes more of their time & money to the community than other age groups





CRESSWIND AT ROCKY RIVER



CRESSWIND AT ROCKY RIVER

CRESSWIND®



40' WIDE LOTS

CRESSWIND®



50' WIDE LOTS

CRESSWIND®



60' WIDE LOTS



CRESSWIND[®]

KOLTERHOMES

THANK YOU