

TOWN OF OSSIPPEE

Ossipee, North Carolina

Financial Statements

June 30, 2019

TOWN OF OSSIPEE

Ossipee, North Carolina

Markus A. Whitman, Mayor

Ernest L. Bare, III, Mayor Pro-Tem

Town Council

Paul G. Farris

Billy R. Carter

Richard A. Overman, Finance Director

Town Clerk

Tabitha S. Langley

TOWN OF OSS�PEE, NORTH CAROLINA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Town of Ossipee, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Town of Ossipee, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management's Discussion and Analysis and the required supplementary information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board who considers it to an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Ossipee, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit and the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Certified Public Accountant

July 23, 2020

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Town of Ossipee, we offer readers of the Town of Ossipee’s financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town of Ossipee’s financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the Town of Ossipee exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,378,852 (net position).

The current assets of the Town of Ossipee, which include cash and cash equivalents, receivables, and funds due from other sources, totaled \$686,474.

Total cash and cash equivalents were \$634,996. Of this amount, \$198,150 was restricted as to use.

The Town’s investment in capital assets was \$719,259 at June 30, 2019.

General Fund revenues were \$227,809, a slight increase from \$220,417 the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

The next statements (Exhibits 3 through 8) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town’s government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements. The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town’s individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The Town of Ossipee adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town and the management of the Town about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities.

The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town of Ossipee has only one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Ossipee uses enterprise funds to account for its water activity and operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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

The Town of Ossipee's Net Position
June 30, 2019 and June 30, 2018
Figure 1

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 695,530	\$ 620,134	\$ (9,056)	\$ (23,325)	\$ 686,474	\$ 596,809
Capital assets	52,675	54,651	666,584	693,818	719,259	748,469
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 748,205</u>	<u>\$ 674,785</u>	<u>\$ 657,528</u>	<u>\$ 670,493</u>	<u>\$ 1,405,733</u>	<u>\$ 1,345,278</u>
Long-term liabilities	\$ -	\$ -	\$ -	\$ -	-	-
Other liabilities	11,877	9,278	15,004	12,182	26,881	21,460
Deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>\$ 11,877</u>	<u>\$ 9,278</u>	<u>\$ 15,004</u>	<u>\$ 12,182</u>	<u>26,881</u>	<u>21,460</u>
Net position:						
Net investment in capital assets	\$ 52,675	\$ 54,651	\$ 666,584	\$ 693,818	\$ 719,259	\$ 748,469
Restricted	209,872	174,603	-	-	209,872	174,603
Unrestricted	473,781	436,253	(24,060)	(35,509)	449,721	400,744
Total net position	<u>\$ 736,328</u>	<u>\$ 665,507</u>	<u>\$ 642,524</u>	<u>\$ 658,309</u>	<u>\$ 1,378,852</u>	<u>\$ 1,323,816</u>
Total liabilities and net position	<u>\$ 748,205</u>	<u>\$ 674,785</u>	<u>\$ 657,528</u>	<u>\$ 670,493</u>	<u>\$ 1,405,733</u>	<u>\$ 1,345,278</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Ossipee exceeded liabilities and deferred inflows by \$1,378,852 as of June 30, 2019.

A portion is unrestricted as to use, and consists largely of cash and cash equivalents, which can be used to fund additional services to the residents of the Town. The remainder represents the Town's net investment in capital assets (e.g. land buildings, furniture and equipment, and its water system). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Ossipee'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.

**The Town of Ossipee's Changes In Net Position
For The Years Ended June 30, 2019 and June 30, 2018
Figure 2**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 21,154	\$ 20,866	\$ 109,553	\$ 116,977	\$ 130,707	\$ 137,843
Operating grants & contributions	-	-	-	-	-	-
General revenues:						
Property taxes	51,976	52,058	-	-	51,976	52,058
Sales and other taxes	150,871	142,625	-	-	150,871	142,625
Intergovernmental revenues	22,969	23,284	-	-	22,969	23,284
Investment earnings	1,315	1,459	231	287	1,546	1,746
Miscellaneous income	678	991	382	450	1,060	1,441
Total revenues	<u>\$ 248,963</u>	<u>\$ 241,283</u>	<u>\$ 110,166</u>	<u>\$ 117,714</u>	<u>\$ 359,129</u>	<u>\$ 358,997</u>
Expenditures:						
General government	\$ 96,504	\$ 89,964	\$ -	\$ -	\$ 96,504	\$ 89,964
Streets and highways	-	-	-	-	-	-
Public safety	37,819	38,666	-	-	37,819	38,666
Environmental protection	43,819	48,866	-	-	43,819	48,866
Cultural and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Water	-	-	125,951	122,046	125,951	122,046
Total expenditures	<u>\$ 178,142</u>	<u>\$ 177,496</u>	<u>\$ 125,951</u>	<u>\$ 122,046</u>	<u>\$ 304,093</u>	<u>\$ 299,542</u>
Increase(decrease)in net position	\$ 70,821	\$ 63,787	\$ (15,785)	\$ (4,332)	\$ 55,036	\$ 59,455
Net position - beginning of year	<u>665,507</u>	<u>601,720</u>	<u>658,309</u>	<u>662,641</u>	<u>1,323,816</u>	<u>1,264,361</u>
Net position - end of year	<u>\$ 736,328</u>	<u>\$ 665,507</u>	<u>\$ 642,524</u>	<u>\$ 658,309</u>	<u>\$ 1,378,852</u>	<u>\$ 1,323,816</u>

Governmental Activities – Governmental activities increased the Town of Ossipee’s net position by \$70,821. The total amount of governmental net position as of June 30, 2019 is \$736,328, which is up from \$665,507 at June 30, 2018.

Business-type Activities – Business type activities decreased the Town of Ossipee’s net position by \$15,785.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

The general fund is the chief operating fund of the Town of Ossipee. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$281,951 while total fund balance was \$494,751.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The Town of Ossipee's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$719,259 (net of accumulated depreciation). These assets include buildings, land, construction in process, and furniture and equipment.

The Town of Ossipee's Capital Assets
(net of accumulated depreciation)
June 30, 2019
Figure 3

	Governmental Activities	Business-type Activities	Total
Land	\$ 46,564	\$ -	\$ 46,564
Buildings	-	-	-
Furnitures, fixtures and equipment	6,111	-	6,111
Water system	-	666,584	666,584
Total	<u>\$ 52,675</u>	<u>\$ 666,584</u>	<u>\$ 719,259</u>

Long-term debt

The town has no outstanding debt at June 30, 2019.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Ossipee is \$1,889,735 as the Town's total assessed property value, inclusive of homestead exemptions, is \$23,621,685. The Town did not issue any bonds during the fiscal year 2018-2019.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The increase in net position of the General Fund is expected to continue to grow as a result of budgetary constraints which will allow the Town to provide additional services to its residents.
- The connection of the Town's water system to the City of Burlington water system will continue to allow the Town to service additional customers. Two schools have in recent years been added to the system.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Governmental Activities – General Fund

Revenues are expected to be consistent with prior years.

Business - Type Activities-Water Fund

The Town's water supply has been connected to the City of Burlington's system. Although water costs are anticipated to rise, other costs are expected to decrease.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Town of Ossipee'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 Director of Finance, Town of Ossipee, Post Office Box 336 Elon, NC 27244.

BASIC FINANCIAL STATEMENTS

Town of Ossipee, North Carolina
Statement of Net Position
 June 30, 2019

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 291,778	\$ 145,038	\$ 436,816
Receivables (net):			
Taxes	888	-	888
Accounts	2,154	13,826	15,980
Due from (to) other funds	176,445	(176,445)	-
Due from other governments	31,273	-	31,273
Prepaid expenditures	2,927	440	3,367
Restricted assets:			
Cash and cash equivalents	190,065	8,085	198,150
Total current assets	<u>\$ 695,530</u>	<u>\$ (9,056)</u>	<u>\$ 686,474</u>
Capital assets (Note 1):			
Land, improvements, and construction in progress	\$ 46,564	\$ -	\$ 46,564
Other capital assets, net of accumulated depreciation	6,111	666,584	672,695
Total capital assets	<u>\$ 52,675</u>	<u>\$ 666,584</u>	<u>\$ 719,259</u>
Total assets	<u>\$ 748,205</u>	<u>\$ 657,528</u>	<u>\$ 1,405,733</u>
DEFERRED OUTFLOWS OF RESOURCES			
Charge on refunding	\$ -	\$ -	\$ -
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 9,451	\$ 6,831	\$ 16,282
Accrued expenses	376	88	464
Customer deposits	2,050	8,085	10,135
Current portion of long-term debt	-	-	-
Total current liabilities	<u>\$ 11,877</u>	<u>\$ 15,004</u>	<u>\$ 26,881</u>
Total liabilities	<u>\$ 11,877</u>	<u>\$ 15,004</u>	<u>\$ 26,881</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 52,675	\$ 666,584	\$ 719,259
Restricted for:			
Stabilization by State Statute	209,872	-	209,872
Unrestricted (deficit)	473,781	(24,060)	449,721
Total net position	<u>\$ 736,328</u>	<u>\$ 642,524</u>	<u>\$ 1,378,852</u>

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

Town of Ossipee, North Carolina
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:						
Government Activities:						
General government	\$ 96,504	\$ -	\$ -	\$ (96,504)	\$ -	\$ (96,504)
Street and highways	-	-	-	-	-	-
Public safety	37,819	-	-	(37,819)	-	(37,819)
Environmental protection	43,819	(21,154)	-	(22,665)	-	(22,665)
Cultural and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total governmental activities	\$ 178,142	\$ (21,154)	\$ -	\$ (156,988)	\$ -	\$ (156,988)
Business-type Activities:						
Water	125,951	(109,553)	-	-	(16,398)	(16,398)
Total primary government	\$ 304,093	\$ (130,707)	\$ -	\$ (156,988)	\$ (16,398)	\$ (173,386)
General revenues:						
Property taxes, levied for general purposes				\$ 51,976	\$ -	\$ 51,976
Sales and other taxes				150,871	-	150,871
Intergovernmental revenues				22,969	-	22,969
Investment earnings				1,315	231	1,546
Miscellaneous				678	382	1,060
Total general revenues				\$ 227,809	\$ 613	\$ 228,422
Change in net position				70,821	(15,785)	55,036
Net position - beginning of year				665,507	658,309	1,323,816
Net position - end of year				\$ 736,328	\$ 642,524	\$ 1,378,852

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

Town of Ossipee, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General Fund</u>	<u>Non-Major Building & Recreation Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 291,778	\$ -	\$ 291,778
Receivables (net):			
Taxes	888	-	888
Accounts	2,154	-	2,154
Due from (to) other funds	176,445	-	176,445
Due from other governments	31,273	-	31,273
Accrued investment income	-	-	-
Prepaid expenses	2,927	-	2,927
Restricted assets:			
Cash and cash equivalents	2,050	188,015	190,065
Total assets	<u>\$ 507,515</u>	<u>\$ 188,015</u>	<u>\$ 695,530</u>
LIABILITIES			
Liabilities:			
Accounts payable and accrued expenses	\$ 9,827	\$ -	\$ 9,827
Customer deposits	2,050	-	2,050
Total liabilities	<u>\$ 11,877</u>	<u>\$ -</u>	<u>\$ 11,877</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	\$ 888	\$ -	\$ 888
Prepaid taxes	-	-	-
Total deferred inflows of resources	<u>\$ 888</u>	<u>\$ -</u>	<u>\$ 888</u>
FUND BALANCES			
Non Spendable			
Prepaid expenses	\$ 2,927	\$ -	\$ 2,927
Restricted			
Stabilization by State Statute	209,872	-	209,872
Committed	-	-	-
Assigned			
Town Hall & Recreation	-	188,015	188,015
Unassigned	281,951	-	281,951
Total fund balance	<u>\$ 494,751</u>	<u>\$ 188,015</u>	<u>\$ 682,765</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 507,515</u>	<u>\$ 188,015</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	52,675
Liabilities for earned but deferred inflows in fund statements.	888
Some liabilities, including compensated absences earned, are not due and payable in the current period and therefore are not reported in the funds.	-
Net position of governmental activities	<u>\$ 736,328</u>

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

Town of Ossipee, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	General	Non-Major Building Fund	Total Governmental Funds	2018 Actual
Revenues:				
Ad valorem taxes	\$ 51,578	\$ -	\$ 51,578	\$ 52,738
Other taxes and licenses	150,871	-	150,871	142,625
Intergovernmental revenues	22,969	-	22,969	23,284
Charges for services	21,154	-	21,154	20,866
Investment earnings	1,064	251	1,315	1,459
Other revenues	678	-	678	991
Total Revenues	<u>\$ 248,314</u>	<u>\$ 251</u>	<u>\$ 248,565</u>	<u>\$ 241,963</u>
Expenditures:				
General government	\$ 94,528	\$ -	\$ 94,528	\$ 89,088
Streets and highways	-	-	-	-
Public safety	37,819	-	37,819	38,666
Environmental protection	43,819	-	43,819	48,866
Cultural and recreation	-	-	-	-
Capital reserve	-	-	-	-
Total Expenditures	<u>\$ 176,166</u>	<u>\$ -</u>	<u>\$ 176,166</u>	<u>\$ 176,620</u>
Revenues over (under) expenditures	\$ 72,148	\$ 251	\$ 72,399	\$ 65,343
Transfers to Building & Recreation Fund	<u>(20,000)</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other sources	\$ 52,148	\$ 20,251	\$ 72,399	\$ 65,343
Fund balance - beginning of year	442,603	167,764	610,366	545,024
Fund balance - end of year	<u>\$ 494,751</u>	<u>\$ 188,015</u>	<u>\$ 682,765</u>	<u>\$ 610,366</u>
Amounts reported for governmental activities in the statement of activities are different because:				
Net changes in fund balances - total governmental funds			\$ 72,399	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:				
Changes in unavailable revenues for property tax revenues			453	
Provision for uncollectible property taxes			(55)	
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.			-	
Depreciation expense is recognized as an expense in the statement of activities.			(1,976)	
Total changes in net position of governmental activities			<u>\$ 70,821</u>	

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

Town of Ossipee North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Budget Amendments
Revenues:					
Ad valorem taxes	\$ 51,660	\$ 51,660	\$ 51,578	\$ (82)	\$ -
Other taxes and licenses	128,400	128,400	150,871	22,471	-
Intergovernmental revenues	21,760	21,760	22,969	1,209	-
Sanitation fees	21,000	21,000	21,154	154	-
Investment earnings	600	600	1,064	464	-
Miscellaneous	360	360	678	318	-
Total Revenues	<u>\$ 223,780</u>	<u>\$ 223,780</u>	<u>\$ 248,314</u>	<u>\$ 24,534</u>	<u>\$ -</u>
Expenditures:					
General government	\$ 110,860	\$ 110,860	\$ 94,528	\$ 16,332	\$ -
Streets and highways	-	-	-	-	-
Public safety	38,160	38,160	37,819	341	-
Environmental protection	47,040	47,040	43,819	3,221	-
Contingency reserve	3,720	3,720	-	3,720	-
Total Expenditures	<u>\$ 199,780</u>	<u>\$ 199,780</u>	<u>\$ 176,166</u>	<u>\$ 23,614</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ 24,000	\$ 24,000	\$ 72,148	\$ 48,148	\$ -
Other financing sources (uses)					
Transfers to Building & Recreation Fund	<u>(24,000)</u>	<u>(24,000)</u>	<u>(20,000)</u>	<u>4,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other sources	\$ -	\$ -	\$ 52,148	<u>\$ 52,148</u>	\$ -
Fund balance appropriated	-	-			-
	<u>\$ -</u>	<u>\$ -</u>			<u>\$ -</u>
Fund balance - beginning of year			<u>442,603</u>		
Fund balance - end of year			<u>\$ 494,751</u>		

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

Town of Ossipee, North Carolina
Statement of Fund Net Position
Proprietary Fund Type - Water Fund
 June 30, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$ 145,038
Account receivables (net)	13,826
Prepaid insurance	440
Restricted cash and cash equivalents	8,085
Total current assets	\$ 167,389

Capital assets:

Land, improvements, and construction in progress	\$ -
Other capital assets, net of accumulated depreciation	666,584
Net capital assets	\$ 666,584

Total assets	\$ 833,973
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DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding	\$ -
Total deferred outflows of resources	\$ -

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	\$ 6,919
Due to other funds	176,445
Customer deposits	8,085
Total current liabilities	\$ 191,449

Long-term Debt

Total liabilities	\$ 191,449
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NET POSITION

Net investment in capital assets	\$ 666,584
Unrestricted (deficit)	(24,060)
Total net position	\$ 642,524

Total liabilities and net position	\$ 833,973
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The notes to the financial statements are an integral part of this statement.

Exhibit 7

Town of Ossipee, North Carolina
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund Type - Water Fund
For the Year Ended June 30, 2019

Operating revenues:	
Charges for services	\$ 104,994
Water taps	-
Other revenues	4,559
Total operating revenues	<u>\$ 109,553</u>
Operating expenses:	
Administration	\$ 2,327
Finance	25,375
Water treatment and distribution	70,909
Depreciation	27,233
Increase in provision for uncollectible accounts	107
Total operating expenses	<u>\$ 125,951</u>
Operating income (loss)	<u>\$ (16,398)</u>
Non-operating revenues (expenses):	
Investment earnings	\$ 231
Miscellaneous income	382
Interest on long-term debt	-
Total non-operating revenues(expenses)	<u>\$ 613</u>
Change in net position	\$ (15,785)
Total net position, beginning	<u>\$ 658,309</u>
Total net position, ending	<u><u>\$ 642,524</u></u>

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

Town of Ossipee, North Carolina
Statement of Cash Flows
Proprietary Fund Type - Water Fund
For the Year Ended June 30, 2019

	Water Fund
<u>Cash flows from operating activities:</u>	
Cash received from customers	\$ 113,357
Cash paid for goods and services	(96,589)
Customer deposits received	1,493
Customer deposits refunded	(1,133)
	\$ 17,128
<u>Cash flows from non-capital financing activities:</u>	
Other revenues received	\$ 382
	\$ 382
<u>Cash flows from capital and related financing activities:</u>	
Acquisition of capital assets	\$ -
Interfund transfers and advances	34,708
	\$ 34,708
<u>Cash flows from investing activities:</u>	
Investment earnings	\$ 231
Net increase (decrease) in cash and cash equivalents	\$ 52,449
Cash and cash equivalents - beginning of year	100,674
Cash and cash equivalents - end of year	\$ 153,123

Disclosure of Accounting Policy

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

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

**Exhibit 8
(continued)**

Town of Ossipee, North Carolina
Statement of Cash Flows
Proprietary Fund Type - Water Fund
For the Year Ended June 30, 2019

	<u>Water Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (16,398)</u>
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	\$ 27,233
Increase in provision for uncollectible accounts	107
Changes in assets and liabilities:	
(Increase)/decrease in accounts receivable	3,804
(Increase)/decrease in prepaid expenses	(440)
Increase/(decrease) in accounts payable and accrued liabilities	2,462
Increase/(decrease) in customer deposits	<u>360</u>
Total adjustments	<u>\$ 33,526</u>
Net cash provided(used) by operating activities	<u><u>\$ 17,128</u></u>

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

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies

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

A. Description of Unit and Reporting Entity

The Town of Ossipee was incorporated on December 9, 2002. It is located in the northwestern part of Alamance County, North Carolina. It encompasses most of the area formerly known as the Ossipee Sanitary District.

The governing body of the Town is the Town Council which has five (5) members. The Town Council is elected on a nonpartisan basis with results determined on a plurality basis. The Mayor is chosen by the Town Council.

Generally accepted accounting principles require that these financial statements present the primary government (i.e. the Town) and any component units. Component units are defined as legally separate organizations for which the elected officials of the Town are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete.

The Town of Ossipee has no component units as defined above.

B. Basis of Presentation

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

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

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

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

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

The Town reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are the property and sales taxes. The primary expenditures are for general government services and sanitation services.

The Town reports the following non-major governmental fund:

Capital Project Fund-Building & Recreation Fund – This fund is used to account for the resources being accumulated to fund the construction or purchase of a facility to be used as a Town Hall replacing the mobile home currently being used and for the construction of recreation facilities.

The Town reports the following major enterprise fund:

Water Fund – This fund is used to account for the Town’s water operations.

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues, which are unearned at year-end, are recorded as unearned revenues. Under the terms of grant agreements, the Town may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, if and when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances, if applicable, are adopted for the Capital Projects Fund and the Enterprise Fund Capital Projects Funds. These appropriations continue until the project is completed. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the Town Council. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the Town Council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

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

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance (continued)

1. Deposits and Investments (continued)

The Town's investments with maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

2. Cash and Cash Equivalents

The Town pools some of its money to facilitate disbursement and investment and to maximize investment income. All cash and investments are essentially demand deposits and are considered cash and cash equivalents. For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Additionally, the monies being held in the Building & Recreation Fund for the acquisition of a new Town Hall and development of recreation facilities are maintained in certificates of deposit and savings accounts, and are restricted as to use by the directive of the Town Council.

Town of Ossipee's Restricted Cash

Governmental Activities:

General Fund	
Customer deposits	\$ 2,050
Town Hall reserve fund	99,092
Recreation reserve fund	<u>88,923</u>

Total governmental activities	<u>\$ 190,065</u>
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Business-type Activities:

Water Fund	
Customer deposits	<u>\$ 8,085</u>

Total Business-type Activities	<u>\$ 8,085</u>
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Total Restricted Cash	<u>\$ 198,150</u>
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4. Ad Valorem Tax Receivable

In accordance with state law [G.S. 105-347 and G-S. 159-13 (a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. The levy is based on the assessed valuation of property located in the Town as of January 1, 2017. As allowed by state law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts. The Town has an arrangement with Alamance County for the billing and collecting of the Town's property taxes.

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance (continued)

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

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

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

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization cost is currently \$200 for all types of assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	10-15
Furniture and equipment	5-15
Water system	25-40

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. 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.

9. Long-term Obligations

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

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance (continued)

9. Long-Term Obligations (continued)

straight-line method that approximates the effective interest method. Bonds payable are reported net of any applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the term of the policy.

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

10. Compensated Absences

At June 30, 2019, the Town has two (2) part-time employees; accordingly, there are no obligations for vacation or sick pay.

Were there obligations for compensated absences, an expense and a liability for the compensated absences and the salary-related payments would be recorded as the leave is earned.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred inflows arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

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

Prepaid Expenses – portion of fund balance that has been expended for the benefit of future periods.

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

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance (continued)

11. Fund Balances (continued)

Restricted for Stabilization by State statute – portion of fund balance, which is not available for appropriation under State law (G.S. 159-8(a)). This amount is usually comprised of accounts receivable and due from other governments that have not been offset by unavailable revenues.

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

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

Assigned for new town hall & recreation facilities – portion of fund balance that has been budgeted by the Town Council for the purpose of acquiring a new town hall and recreation facilities.

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

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

The Town of Ossipee has not adopted a minimum fund balance policy for the general fund.

F. Inter-fund Transactions

Inter-fund transactions are either for services provided or advances/transfers. Services that are equivalent in value are reported as revenues and expenditures/expenses. Reimbursements for costs incurred by one fund are charged to the end-user or beneficiary fund. Advances/transfers between funds are made for specific purposes as needed and can be designated as temporary or permanent. Transfers within governmental activities and business-type activities are eliminated upon consolidation.

G. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Stewardship, Compliance, and Accountability

A. Material Violations of Finance-Related Legal and Contractual Provisions

There are no known violations of finance-related legal and contractual provisions at June 30, 2019.

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 2. Stewardship, Compliance, and Accountability (continued)

B. Excess of Expenditures Over Appropriations

All Funds

Expenditures did not exceed appropriations at the departmental level for any of the Town’s funds for the year ended June 30, 2019.

C. Deficit Fund Balance or Net Position of Individual Funds

There were no deficit fund balances or net position in the individual funds as of June 30, 2019.

Note 3. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town in the Town’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 Town, these deposits are considered to be held by the Town in the Town’s name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. The State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At June 30, 2019, the Town's deposits had a carrying amount of \$634,966 and a bank balance of \$638,802. All the funds are covered by federal depository insurance. Included in carrying amount of \$634,966 is a petty cash fund of \$200.

2. Receivables-Allowances for Doubtful Accounts

The receivable balances shown in the statement of net position are net of the following allowances for doubtful accounts.

<u>Fund</u>	<u>Amount</u>
General	
Ad valorem taxes	\$ 331
Enterprise	
Water fees	\$ 2,320

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 3. Detail Notes on All Funds (continued)

A. Assets (continued)

3. Capital Assets

Capital asset activity for the Governmental Activities for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 46,564	\$ -	\$ -	\$ 46,564
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 24,018	\$ -	\$ -	\$ 24,018
Less accumulated depreciation for:				
Furniture, fixtures, and equipment	\$ 15,931	\$ 1,976	\$ -	\$ 17,907
Total capital assets being depreciated, net	\$ 8,067			\$ 6,111
Governmental activity capital assets, net	\$ 54,651			\$ 52,675

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

General government	\$ 1,975
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Capital asset activity for the Business-type Activities for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets being depreciated:				
Buildings	\$ 22,408	\$ -	\$ -	\$ 22,408
Water system	1,121,052	-	-	1,121,052
Total capital assets being depreciated	\$ 1,143,460	\$ -	\$ -	\$ 1,143,460
Less accumulated depreciation for:				
Buildings	\$ 22,408	\$ -	\$ -	\$ 22,408
Furniture, fixtures and equipment	-	-	-	-
Water system	427,235	27,233	-	454,468
Total accumulated depreciation	\$ 449,643	\$ 27,233	\$ -	\$ 476,876
Total capital assets being depreciated, net	\$ 693,817			\$ 666,584
Business-type activity capital assets, net	\$ 693,817			\$ 666,584

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

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 3. Detail Notes on All Funds (continued)

B. Liabilities

1. Pension Plan Obligations

The Town has no pension plan and therefore has no pension plan obligations.

2. Deferred Outflows and Inflows of Resources

The balance in deferred inflows of resources at year-end is composed of the following elements:

	<u>General Fund</u>
Ad valorem taxes receivable, net	\$ <u>888</u>

3. Commitments

At June 30, 2019, the Town had no material contractual commitments other than for normal contracted services.

4. Risk Management

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

There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three years.

The Town has determined that flood insurance coverage is not needed at the present time.

In accordance with G.S. 159-20, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance Officer is bonded for \$50,000.

5. Claims and Judgments

At June 30, 2019, there were no pending or threatened litigation, claims or assessments against the Town.

6. Lease Obligations

The Town has no material long-term lease obligations.

TOWN OF OSS�PEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 3. Detail Notes on All Funds (continued)

C. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2019 is as follows:

Due to/from other funds:

To	General Fund	\$176,445
From	Water and Sewer Fund	\$176,445

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

D. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation at June 30, 2019:

<u>Total fund balance-General Fund</u>	<u>\$494,751</u>
Less:	
Prepaid Expenses	2,927
Stabilization by State Statute	209,872
Working Capital	281,951
<u>Remaining Fund Balance</u>	<u>-0-</u>

The Town of Ossipee has not adopted a minimum fund balance policy for the general fund.

There are no outstanding encumbrances at year-end.

Note 4. Single Audit Act Requirements

The Town did not receive state or federal financial assistance exceeding \$750,000 for the period beginning July 1, 2018 and ending June 30, 2019; therefore, the Town is not required to have single audits which meet the requirements of the state Single Audit Implementation Act or the Federal Single Audit Act.

Note 5. Contracted Services – Fire Protection

In July 1989, the Ossipee Sanitary District entered into an agreement with the Altamahaw-Ossipee Fire Department, Inc. whereby the Fire Department furnishes fire protection and EMS first responder services to all property lying within the District’s boundaries. The Town of Ossipee, as the successor entity to the Ossipee Sanitary District, has continued to honor the provisions of the agreement.

The contract renews, or can be cancelled, annually on June 30. Payments are to be based upon the estimated revenue that would be generated by the same rate of ad valorem tax within the Town, as it is set by the Alamance Board of Commissioners for the Altamahaw-Ossipee Fire Protection Service District.

TOWN OF OSSIPEE, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

Note 6. Subsequent Events

In preparing these financial statements, the Town of Ossipee has evaluated events for potential recognition or disclosure through July 23, 2020, the date the financial statements were available to be issued.

After the balance sheet date of these financial statements, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus has seriously disrupted the normal flow of financial transactions and related processes. The impact of the outbreak on operational and financial performance will depend on its duration and spread, and its impact on our residents, customers, employees, and vendors. Governmental, regulatory, and private sector responses may have an impact as well. The financial statements do not reflect any adjustments as a result of the increased economic uncertainty.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS SECTION

Town of Ossipec, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended June 30, 2019

(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	Final Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
Revenues:				
Ad valorem taxes:				
Current year	\$ 49,680	\$ 50,047	\$ 367	\$ 50,309
Prior years	1,500	1,335	(165)	2,020
Penalties and interest, net	480	196	(284)	409
Total	<u>\$ 51,660</u>	<u>\$ 51,578</u>	<u>\$ (82)</u>	<u>\$ 52,738</u>
Other taxes and licenses:				
Local option sales tax	\$ 128,400	\$ 150,871	\$ 22,471	\$ 142,625
Privilege licenses	-	-	-	-
Total	<u>\$ 128,400</u>	<u>\$ 150,871</u>	<u>\$ 22,471</u>	<u>\$ 142,625</u>
Unrestricted intergovernmental revenues:				
Utility franchise and excise tax	\$ 19,000	\$ 20,019	\$ 1,019	\$ 20,420
Beer and wine tax	2,400	2,516	116	2,482
Solid waste disposal tax	360	434	74	382
Total	<u>\$ 21,760</u>	<u>\$ 22,969</u>	<u>\$ 1,209</u>	<u>\$ 23,284</u>
Restricted intergovernmental revenues				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Permits and fees	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>
Sales and services				
Sanitation fees	<u>\$ 21,000</u>	<u>\$ 21,154</u>	<u>\$ 154</u>	<u>\$ 20,866</u>
Investment earnings	<u>\$ 600</u>	<u>\$ 1,064</u>	<u>\$ 464</u>	<u>\$ 1,378</u>
Other revenues:				
Sales tax refunds	\$ 360	\$ 328	\$ (32)	\$ 320
Miscellaneous	-	50	50	671
Total	<u>\$ 360</u>	<u>\$ 378</u>	<u>\$ 18</u>	<u>\$ 991</u>
Total Revenues	<u>\$ 223,780</u>	<u>\$ 248,314</u>	<u>\$ 24,534</u>	<u>\$ 241,882</u>

Town of Ossipee, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	Final Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
Expenditures:				
General government:				
Governing body:				
Salaries and wages	\$ 12,720	\$ 12,345	\$ 375	\$ 11,947
Payroll taxes	1,200	945	255	920
Travel and training	600	-	600	-
Contracted services-Board of Elections	2,220	-	2,220	2,073
Insurance and bonds-general and public officials liability	1,560	875	685	875
Dues and subscriptions	960	-	960	-
Miscellaneous	360	64	296	182
Compensation and fees	-	10	(10)	-
Capital outlays	-	-	-	-
Total	<u>\$ 19,620</u>	<u>\$ 14,239</u>	<u>\$ 5,381</u>	<u>\$ 15,997</u>
Administration:				
Professional Services:				
Legal	\$ 3,180	\$ 338	\$ 2,842	\$ 5,620
Accounting	1,560	-	1,560	(990)
Salaries and wages-Town Clerk	42,000	45,234	(3,234)	33,860
Payroll taxes	3,780	3,461	319	2,673
Office supplies	1,800	1,295	505	3,667
Travel and training	1,500	2,449	(949)	1,624
Telephone	2,660	2,393	267	2,468
Website design & management	600	100	500	100
Postage	900	105	795	1,130
Equipment rental	-	-	-	-
Maintenance and repairs-equipment	900	107	793	40
Legal and other advertising	600	54	546	25
Surveying and mapping	600	1,000	(400)	-
Planning & zoning	600	290	310	-
Insurance and bonds	1,800	1,167	633	3,187
Dues and subscriptions	1,320	1,361	(41)	1,276
Miscellaneous	600	520	80	101
Capital outlays	3,000	-	3,000	1,309
Total	<u>\$ 67,400</u>	<u>\$ 59,874</u>	<u>\$ 7,526</u>	<u>\$ 56,090</u>

Town of Ossipee, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended June 30, 2019

(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	Final Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
Expenditures (continued):				
General government (continued):				
Finance:				
Professional services:				
Audit	\$ 4,500	\$ 3,550	\$ 950	\$ 3,500
Bookkeeping & other accounting services	5,520	4,884	636	5,153
Property tax billings/collections	600	512	88	310
Salaries and wages	-	-	-	-
Payroll taxes	-	-	-	-
Postage	-	-	-	-
Office supplies	-	947	(947)	52
Travel and training	-	-	-	-
Insurance and bonds	360	136	224	323
Repairs and maintenance- equipment	300	-	300	-
Bank service charges	120	-	120	-
Miscellaneous	120	-	120	-
Capital outlays	-	-	-	-
Total	<u>\$ 11,520</u>	<u>\$ 10,029</u>	<u>\$ 1,491</u>	<u>\$ 9,338</u>
Public buildings and works:				
Electricity	\$ 2,400	\$ 1,155	\$ 1,245	\$ 1,082
Fuel oil/gas	1,200	588	612	630
Water and sewer	-	-	-	-
Repairs and maintenance- building and grounds	8,300	8,208	92	5,674
Repairs and maintenance- equipment	-	-	-	-
Departmental supplies	-	366	(366)	217
Insurance and bonds	300	-	300	-
Miscellaneous	120	69	51	60
Capital outlays	-	-	-	-
Total	<u>\$ 12,320</u>	<u>\$ 10,386</u>	<u>\$ 1,934</u>	<u>\$ 7,663</u>
Total General Government	<u>\$ 110,860</u>	<u>\$ 94,528</u>	<u>\$ 16,332</u>	<u>\$ 89,088</u>
Streets and Highways:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Town of Ossipee, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended June 30, 2019

(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	Final Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
Expenditures (continued):				
Public Safety:				
Contracted services- animal control	\$ 4,200	\$ 4,013	\$ 187	\$ 3,921
Contracted services-fire protection	33,960	33,806	154	34,745
Total	<u>\$ 38,160</u>	<u>\$ 37,819</u>	<u>\$ 341</u>	<u>\$ 38,666</u>
Transportation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Environmental protection:				
Garbage/trash service	\$ 44,580	\$ 43,457	\$ 1,123	\$ 48,866
Stormwater management	2,460	362	2,098	-
Trash containers	-	-	-	-
Total	<u>\$ 47,040</u>	<u>\$ 43,819</u>	<u>\$ 3,221</u>	<u>\$ 48,866</u>
Contingency reserve	<u>\$ 3,720</u>	<u>\$ -</u>	<u>\$ 3,720</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 199,780</u>	<u>\$ 176,166</u>	<u>\$ 23,614</u>	<u>\$ 176,620</u>
Excess of Revenues Over (Under) Expenditures	\$ 24,000	\$ 72,148	\$ 48,148	\$ 65,262
Other Financing Sources (Uses):				
Transfer to Recreation Fund	(12,000)	(10,000)	2,000	(10,000)
Transfer to Building Fund	<u>(12,000)</u>	<u>(10,000)</u>	<u>2,000</u>	<u>(10,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 52,148	<u>\$ 52,148</u>	\$ 45,262
Fund Balance Appropriated	<u>-</u>			
Fund Balance - Beginning of Year	<u>\$ -</u>	<u>442,603</u>		<u>397,341</u>
Fund Balance - End of Year		<u>\$ 494,751</u>		<u>\$ 442,603</u>

Exhibit 11

Town of Ossipee, North Carolina
Balance Sheet - Capital Project Fund - Building & Recreation Fund
Non-Major Government Fund
June 30, 2019

Assets	
Cash and cash equivalents	\$ 188,015
Receivable from General Fund	<u>-</u>
Total assets	<u><u>\$ 188,015</u></u>
Liabilities	
Accounts payable	<u>\$ -</u>
Total liabilities	<u>\$ -</u>
Fund Balances:	
Assigned - Town Hall and Recreation	<u>\$ 188,015</u>
Total liabilities and fund balance	<u><u>\$ 188,015</u></u>

Town of Ossipee, North Carolina
Capital Project Fund - Building & Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 974	\$ 251	\$ 1,225	\$ 1,225
Total revenues	<u>\$ -</u>	<u>\$ 974</u>	<u>\$ 251</u>	<u>\$ 1,225</u>	<u>\$ 1,225</u>
Expenditures					
Capital outlay-future Town Hall	\$ 88,040	\$ -	\$ -	\$ -	\$ 88,040
Capital outlay-recreation	78,730	-	-	-	78,730
Total expenditures	<u>\$ 166,770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,770</u>
Revenues over/(under) expenditures	<u>\$ (166,770)</u>	<u>\$ 974</u>	<u>\$ 251</u>	<u>\$ 1,225</u>	<u>\$ 167,995</u>
Other Financing Sources					
Transfers from other funds:					
General Fund	\$ 166,770	\$ 166,790	\$ 20,000	\$ 186,790	\$ 20,020
Total other financing sources	<u>\$ 166,770</u>	<u>\$ 166,790</u>	<u>\$ 20,000</u>	<u>\$ 186,790</u>	<u>\$ 20,020</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 167,764</u>	<u>\$ 20,251</u>	<u>\$ 188,015</u>	<u>\$ 188,015</u>
Fund balance(deficit), beginning of year			167,764		
Fund balance(deficit), end of year			<u>\$ 188,015</u>		

Town of Ossipee, North Carolina
Proprietary Fund Type - Water Fund
Statement of Revenues and Expenses - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
Revenues:				
Operating Revenues:				
Charges for services:				
Water sales	\$ 106,090	\$ 104,994	\$ (1,096)	\$ 110,941
Water taps and fees	600	-	(600)	1,500
Other operating revenue	2,280	4,559	2,279	4,536
Total Operating Revenues	\$ 108,970	\$ 109,553	\$ 583	\$ 116,977
Non-operating Revenues:				
Investment earnings	\$ 480	\$ 231	\$ (249)	\$ 287
Miscellaneous income	360	382	22	450
Total Non-Operating Revenues	\$ 840	\$ 613	\$ (227)	\$ 737
Total Revenues	\$ 109,810	\$ 110,166	\$ 356	\$ 117,714
Expenditures:				
Administration:				
Consultation-Attorney	\$ -	\$ -	\$ -	\$ -
Consultation-CPA	1,000	-	1,000	(660)
Engineering services	1,000	-	1,000	-
Salaries and wages	-	-	-	-
Casual labor/temporaries	800	-	800	-
Travel and training	360	-	360	-
Office supplies	-	880	(880)	16
Permits and licenses	800	870	(70)	840
Dues and subscriptions	300	515	(215)	255
Miscellaneous	300	62	238	-
Total	\$ 4,560	\$ 2,327	\$ 2,233	\$ 451
Finance:				
Audit	\$ 4,500	\$ 3,550	\$ 950	\$ 3,500
Bookkeeping and accounting	3,600	3,600	-	3,528
Salaries and wages	12,500	13,337	(837)	12,815
Payroll taxes	900	1,020	(120)	980
Office supplies	600	80	520	562
Postage	720	1,045	(325)	-
Travel and training	1,200	1,371	(171)	1,170
Software rental and maintenance	1,400	1,218	182	1,307
Repairs and maintenance	-	-	-	-
Insurance and bonds	300	-	300	188
Bank service charges	120	-	120	80
Miscellaneous	120	-	120	-
Contracted services-meter reading	1,600	154	1,446	805
Total	\$ 27,560	\$ 25,375	\$ 2,185	\$ 24,935

Town of Ossipee, North Carolina
Proprietary Fund Type - Water Fund
Statement of Revenues and Expenses - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
Expenditures (continued):				
Water distribution and maintenance:				
Water purchased for resale	\$ 34,090	\$ 37,096	\$ (3,006)	\$ 31,225
Cont service-water testing	4,000	1,945	2,055	2,620
Cont service-system services	14,000	13,500	500	13,200
Departmental supplies	2,400	1,634	766	1,287
Electrical power	2,400	2,059	341	2,059
Repairs and maintenance	11,080	6,652	4,428	8,568
Maintenance contract-Water Tank	9,000	7,602	1,398	7,602
Insurance and bonds	720	421	299	466
Miscellaneous	-	-	-	6
Total	<u>\$ 77,690</u>	<u>\$ 70,909</u>	<u>\$ 6,781</u>	<u>\$ 67,033</u>
Budgetary appropriations:				
Debt service	\$ -	\$ -	\$ -	\$ -
Capital outlays	-	-	-	-
Reserve for contingencies	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 109,810</u>	<u>\$ 98,611</u>	<u>\$ 11,199</u>	<u>\$ 92,419</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	<u>\$ 11,555</u>	<u>\$ 11,555</u>	<u>\$ 25,295</u>
Net Assets Appropriated	<u>-</u>			
	<u>\$ -</u>			
Reconciliation of modified accrual to full accrual:				
Excess revenues over/under expenditures		\$ 11,555		
Budgetary appropriations:				
Capital outlay		-		
Depreciation		(27,233)		
(Increase) in provision for uncollectible accounts		<u>(107)</u>		
Change in net position (Exhibit 7)		<u>\$ (15,785)</u>		

OTHER FINANCIAL SCHEDULES

Town of Ossipee, North Carolina
Schedule of Cash and Investment Balances
 June 30, 2019

	<u>Cost Value</u>	<u>Market Value</u>
Cash:		
On hand	\$ 200	\$ 200
In demand deposits	275,471	275,471
In savings accounts	-	-
In time deposits:		
NOW, SuperNOW and money market accounts	188,015	188,015
Certificates of deposit	171,280	171,280
 Total cash and investments	 <u>\$ 634,966</u>	 <u>\$ 634,966</u>
 Distribution by Fund:		
General Fund	\$ 293,828	
Building & Recreation Fund	188,015	
Enterprise Fund - Water Fund	153,123	
	<u>\$ 634,966</u>	

SUPPLEMENTARY INFORMATION

STATISTICAL SECTION

Town of Ossipee, North Carolina
Schedule of Ad Valorem Taxes Receivable
 For the Year Ended June 30, 2019

Fiscal Year	Uncollected Balance 6/30/18	Additions And Adjustments	Collections	Uncollected Balance 6/30/19
2018-2019	\$ -	50,811	(50,047)	764
2017-2018	248	502	(627)	123
2016-2017	86	204	(248)	42
2015-2016	90	100	(171)	19
2014-2015	74	54	(98)	30
2013-2014	61	76	(76)	61
2012-2013	105	-	(20)	85
2011-2012	26	-	-	26
2010-2011	3	58	(34)	27
2009-2010	55	-	(13)	42
2008-2009	17	30	(47)	-
	<u>\$ 765</u>	<u>\$ 51,835</u>	<u>\$ (51,382)</u>	\$ 1,219
Less: allowance for uncollectible accounts (General Fund)				<u>(331)</u>
Ad valorem taxes receivable, net				<u>\$ 888</u>
Reconciliation with revenues:				
Taxes - ad valorem to include penalties and interest				\$ 51,578
Amounts written off for tax years 2005-2008 per statute of limitations				-
				<u>\$ 51,578</u>
Less: Penalties & interest collected, net				<u>(196)</u>
Total collections and credits				<u>\$ 51,382</u>

Town of Ossipee, North Carolina
Analysis of Current Tax Levy
For the Year Ended June 30, 2019

	Total Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Tax Levy:					
Real property	\$ 20,510,440	0.2125	\$ 43,585	\$ 43,585	\$ -
Public service companies	845,124	0.2125	1,796	1,796	-
Personal property	<u>2,766,828</u>	0.2125	<u>5,880</u>	<u>1,798</u>	<u>4,082</u>
Total	\$ 24,122,392	0.2125	\$ 51,260	\$ 47,179	\$ 4,082
Less: Homestead exemptions	<u>(500,707)</u>	0.2125	<u>(1,064)</u>	<u>(1,064)</u>	<u>-</u>
	<u>\$ 23,621,685</u>		\$ 50,196	\$ 46,115	\$ 4,082
Advertising, Interest Cost and Late Filing Fees			<u>317</u>	<u>189</u>	<u>129</u>
Gross Levy			\$ 50,513	\$ 46,303	\$ 4,210
Releases and Adjustments			<u>298</u>	<u>298</u>	<u>-</u>
Net Levy			\$ 50,811	\$ 46,601	\$ 4,210
Uncollected Balance - June 30, 2019			<u>(764)</u>	<u>(764)</u>	<u>-</u>
Current Year Taxes Collected			<u>\$ 50,047</u>	<u>\$ 45,837</u>	<u>\$ 4,210</u>
Percent Current Year Taxes Collected			<u>98.50%</u>	<u>98.36%</u>	<u>100.00%</u>