

Town of Robbinsville, North Carolina

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

TOWN OFFICIALS

Steve Hooper, Mayor
Shaun Adams
Debbie Beasley
Brian Johnson

ADMINISTRATIVE and FINANCIAL STAFF

Sonya Webster, Finance Director and Town Clerk

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FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Robbinsville, 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, we 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.

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, 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 discretely presented component unit, and each major fund of the Town of Robbinsville, North Carolina, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows 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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 39 and 40 be presented to supplement the basic financial statements. Such information, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards general 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Robbinsville'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.

The individual fund financial 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 our opinion, based on our audit, and the procedures described above, the individual fund financial statements, budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ray, Bumgarner, Kingskill & Assoc., P.A.

Waynesville, North Carolina
October 31, 2019

Management Discussion and Analysis

TOWN OF ROBBINSVILLE, NORTH CAROLINA
 Management's Discussion and Analysis
 June 30, 2019

As management of the Town of Robbinsville, North Carolina (the "Town"), we offer readers of the Town of Robbinsville, North Carolina's, financial statements this narrative overview and analysis of the financial activities of the Town of Robbinsville, North Carolina 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's financial statements, which follow this narrative.

Financial Highlights

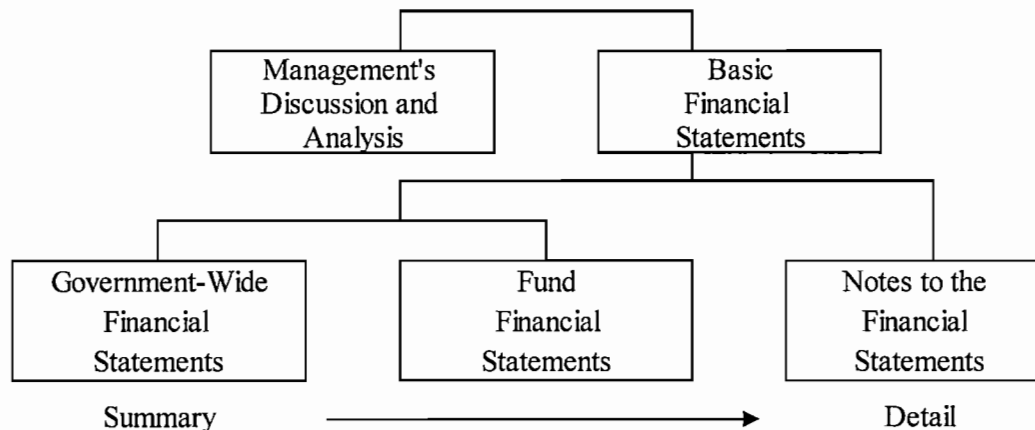
- The assets of the Town of Robbinsville, North Carolina, *exceeded* its liabilities at the close of the fiscal year by \$13,752,254 (*net position*).
- The government's total net position decreased by \$89,488, primarily due to depreciation recorded in the business-type activities.
- As of the close of the current fiscal year, the Town of Robbinsville, North Carolina's governmental fund reported an ending fund balance of \$928,462 with a net change of \$142,678 in fund balance. Approximately 7.11 percent of the total balance, or \$66,030, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$862,432, or 178.66 percent of total general fund expenditures for the fiscal year.
- The Town's total debt decreased by \$54,795 (1.84 percent) during the year. The overall decrease was the result of principal paydowns on existing loans, offset to a lesser degree by an increase in the pension liability.

Overview of the Financial Statements.

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) 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 C through H) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town 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 to the Financial Statements**. The notes to the financial statements explain in detail some of the data contained in the statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; and 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, cultural and recreational, transportation, and general government. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers. These include the water and sewer services offered by the Town of Robbinsville, North Carolina. The final category is the component unit. Although legally separate from the Town, the Robbinsville Tourism Authority is important to the Town. The Town exercises control over the Authority by appointing its members.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town of Robbinsville, North Carolina'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 Robbinsville, North Carolina, 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 the funds of the Town of Robbinsville, North Carolina can be divided into two categories: governmental funds and proprietary funds.

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

Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.

The Town of Robbinsville, North Carolina adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on Pages 21-38 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Robbinsville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 38 of this report.

Interdependence with Other Entities – The Town depends on financial resources flowing from, or associated with, both federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Government-Wide Financial Analysis

Town of Robbinsville, North Carolina's Net Position
Figure 2

| | Governmental | | Business-type | | Total | |
|---|--------------|------------|---------------|---------------|---------------|---------------|
| | Activities | | Activities | | | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$ 991,422 | \$ 873,346 | \$ 682,037 | \$ 506,746 | \$ 1,673,459 | \$ 1,380,092 |
| Capital assets | 93,050 | 111,351 | 14,892,700 | 15,333,354 | 14,985,750 | 15,444,705 |
| Deferred outflows of resources | 46,529 | 28,013 | 114,288 | 65,379 | 160,817 | 93,392 |
| Total assets and deferred outflows of resources | 1,131,001 | 1,012,710 | 15,689,025 | 15,905,479 | 16,820,026 | 16,918,189 |
| Long-term liabilities outstanding | 48,295 | 24,701 | 2,880,026 | 2,958,415 | 2,928,321 | 2,983,116 |
| Other liabilities | 19,521 | 10,799 | 118,974 | 80,320 | 138,495 | 91,119 |
| Deferred inflows of resources | 277 | 1,067 | 679 | 1,145 | 956 | 2,212 |
| Total liabilities and deferred inflows of resources | 68,093 | 36,567 | 2,999,679 | 3,039,880 | 3,067,772 | 3,076,447 |
| Net position: | | | | | | |
| Net investment in capital assets | 93,050 | 103,586 | 12,138,144 | 12,437,478 | 12,231,194 | 12,541,064 |
| Restricted | 66,030 | 201,634 | 50,680 | 40,199 | 116,710 | 241,833 |
| Unrestricted | 903,828 | 670,923 | 500,522 | 387,922 | 1,404,350 | 1,058,845 |
| Total net position | \$ 1,062,908 | \$ 976,143 | \$ 12,689,346 | \$ 12,865,599 | \$ 13,752,254 | \$ 13,841,742 |

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Robbinsville, North Carolina exceeded liabilities by \$13,752,254 as of June 30, 2019. The Town's net position *decreased* by \$89,488 for the fiscal year ended June 30, 2019. The largest portion (88.94%) reflects the Town's net investment in capital assets (e.g. land, construction in progress, furniture, equipment improvements, and vehicles). The Town of Robbinsville, North Carolina uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Robbinsville, North Carolina's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Robbinsville's net position totaling \$116,710 represents resources subject to external restrictions on how they may be used. The remaining balance of \$1,404,350 is unrestricted.

Town of Robbinsville, North Carolina Changes in Net Position

Figure 3

| | Governmental Activities | | Business Type Activities | | Total | |
|--|-------------------------|------------|--------------------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ - | \$ - | \$ 1,188,863 | \$ 1,174,212 | \$ 1,188,863 | \$ 1,174,212 |
| Operating grants and contributions | 16,553 | 17,089 | 54,066 | - | 70,619 | 17,089 |
| Capital grants and contributions | - | - | - | 2,234,620 | - | 2,234,620 |
| General revenues: | | | | | | |
| Property taxes | 325,147 | 336,131 | - | - | 325,147 | 336,131 |
| Other taxes | 247,101 | 237,111 | - | - | 247,101 | 237,111 |
| Other | 3,861 | 678 | 2,950 | 162,873 | 6,811 | 163,551 |
| Total revenues | 592,662 | 591,009 | 1,245,879 | 3,571,705 | 1,838,541 | 4,162,714 |
| Expenses: | | | | | | |
| General government | 272,063 | 329,758 | - | - | 272,063 | 329,758 |
| Public safety | 1,019 | 872 | - | - | 1,019 | 872 |
| Economic Development | 11,456 | 10,819 | - | - | 11,456 | 10,819 |
| Transportation | 205,316 | 189,025 | - | - | 205,316 | 189,025 |
| Cultural and recreation | 5,500 | 5,500 | - | - | 5,500 | 5,500 |
| Interest and fees | - | 269 | - | - | - | 269 |
| Water and sewer | - | - | 1,432,675 | 1,344,845 | 1,432,675 | 1,344,845 |
| Total expenses | 495,354 | 536,243 | 1,432,675 | 1,344,845 | 1,928,029 | 1,881,088 |
| Increase (decrease) in net position before transfers | 97,308 | 54,766 | (186,796) | 2,226,860 | (89,488) | 2,281,626 |
| Transfers | (10,543) | - | 10,543 | - | - | - |
| Increase (decrease) in net position | 86,765 | 54,766 | (176,253) | 2,226,860 | (89,488) | 2,281,626 |
| Net position, beginning | 976,143 | 921,377 | 12,865,599 | 10,638,739 | 13,841,742 | 11,560,116 |
| Net position, June 30 | \$ 1,062,908 | \$ 976,143 | \$ 12,689,346 | \$ 12,865,599 | \$ 13,752,254 | \$ 13,841,742 |

Governmental activities. Governmental activities increased the Town's net position by \$86,765. Key elements of this increase were:

- A slight increase in total revenues during the current year.
- The Town's prior year governmental activity expenses were higher in the general government function due to personnel turnover. Spending decreased in the current year.

Business-type activities: Business-type activities decreased the Town of Robbinsville, North Carolina's net position by \$176,253. The key element of this decrease was depreciation recorded on fixed assets.

Financial Analysis of the Town's Funds

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

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

The General Fund is the chief operating fund of the Town of Robbinsville. At the end of the current fiscal year, the Town of Robbinsville's unassigned fund balance available in the General Fund was \$862,432, while total fund balance reached \$928,462. The Town currently has an unassigned fund balance of 178.66% of general fund expenditures, while total fund balance represents 192.33% of the same amount.

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

The primary difference between the original General Fund budget and the final budget is due to amendments to increase spending in general government by utilizing appropriations of fund balance.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund amounted to \$500,522. The total change in net position was \$(176,253) and is primarily the result of depreciation recorded on fixed assets.

Capital Asset and Debt Administration

Capital Assets. The Town of Robbinsville, North Carolina's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$14,985,750 (net of accumulated depreciation). These assets include land, furniture and equipment, improvements, plant and distribution system, and vehicles.

Major capital asset transactions during the year include the following additions:

- Completion of construction activity on two major capital projects in the water and sewer capital project fund.

Town of Robbinsville, North Carolina's Capital Assets
(net of depreciation)
Figure 4

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------|----------------------------|------------|-----------------------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ - | \$ - | \$ 227,497 | \$ 227,497 | \$ 227,497 | \$ 227,497 |
| Construction in progress | - | - | - | - | - | - |
| Furnishings and equipment | 33,468 | 23,575 | 62,658 | 52,060 | 96,126 | 75,635 |
| Other improvements | 41,063 | 46,414 | - | - | 41,063 | 46,414 |
| Plant and distribution system | - | - | 14,574,316 | 15,037,724 | 14,574,316 | 15,037,724 |
| Vehicles | 18,519 | 41,362 | 28,229 | 16,072 | 46,748 | 57,434 |
| Total | \$ 93,050 | \$ 111,351 | \$ 14,892,700 | \$ 15,333,353 | \$ 14,985,750 | \$ 15,444,704 |

Additional information on the Town's capital assets can be found in Note 3(A)(3) of the Notes to the Financial Statements.

Long-term Debt. As of June 30, 2019, the Town of Robbinsville, North Carolina, had total long-term debt outstanding of \$2,928,321, which included \$39,016 in compensated absences and \$134,749 in pension liability (LGERS). During the year, the Town paid off its one remaining general obligation bond issued to finance the construction of facilities utilized in the water and sewer system.

During fiscal year 2013-2014, the Town completed the construction of a new wastewater treatment plant which allows for expansion of business and residential construction in the town's limits and surrounding areas as well as allows the Town to remain compliant with its operating permit. The United States Department of Agriculture – Rural Development, assisted the Town in this project by providing a financing package that included grant funds and two low interest rate Water and Sewer Revenue Bonds (RUS loans) comprised of 2013 Series A Bonds for \$1,665,000 at an annual interest rate of 2.75% and a subsequent 2013 Series B Water and Sewer Revenue Bond for \$385,000 at an annual interest rate of 2.00%. These two Water and Sewer Revenue Bonds were used to purchase \$2,050,000 Bond Anticipation Notes, which were part of the project's original funding, in December 2013.

The wastewater treatment plant was put into service in the fall of 2013 at a total cost of approximately \$6,715,000. During fiscal year June 30, 2017, there were additional payments made to contractors and those were also capitalized into the costs of the plant. The original project was anticipated to cost \$7,335,000; however, the total amount capitalized through the prior fiscal year was \$7,137,000, leaving approximately \$198,000. The Town received approval from the USDA to use the remaining grant funds for a sludge dewatering facility and the Town secured additional grant monies from North Carolina and USDA and USDA loans totaling \$333,000. The total project was authorized for \$1,479,500 and was completed during the current fiscal year for a total cost of \$1,462,889.

Town of Robbinsville, North Carolina's Outstanding Debt

Figure 5

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------|-------------------------|------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General obligation bonds | \$ - | \$ - | \$ - | \$ 53,750 | \$ - | \$ 53,750 |
| Revenue bonds | - | - | 2,176,440 | 2,216,415 | 2,176,440 | 2,216,415 |
| Installment purchases | - | 7,765 | 578,116 | 625,712 | 578,116 | 633,477 |
| Pension related debt (LGERS) | 39,099 | 13,704 | 95,650 | 31,975 | 134,749 | 45,679 |
| Compensated absences | 9,196 | 3,232 | 29,820 | 30,563 | 39,016 | 33,795 |
| | <u>\$ 48,295</u> | <u>\$ 24,701</u> | <u>\$ 2,880,026</u> | <u>\$ 2,958,415</u> | <u>\$ 2,928,321</u> | <u>\$ 2,983,116</u> |

The Town's total debt decreased by \$54,795 (1.84 percent) during the year. The overall decrease was the result of principal paydowns on existing loans, offset to a lesser degree by an increase in the pension liability.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue. The limit is eight percent of the total assessed value of taxable property located within that government's boundaries. The remaining legal debt margin for Town of Robbinsville, North Carolina is \$3,551,472.

Additional information regarding the Town's long-term debt can be found in Note 3(B)(5) of the Notes to the Financial Statements.

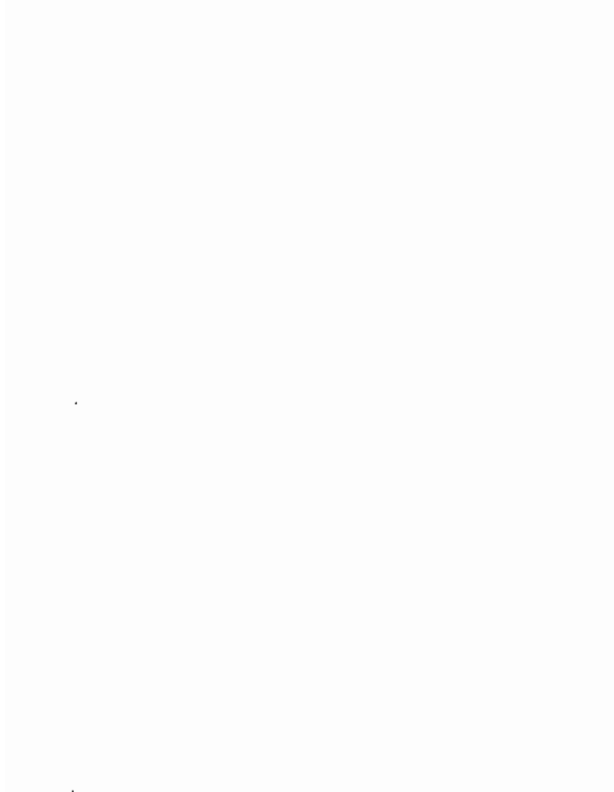
Economic Factors and Next Year's Budgets and Rates –

- The Town maintained its water and sewer rates. The rate was increased three years ago to accommodate the annual debt service payments on the new Wastewater treatment facility and to make up for lost revenues by the Stanley Furniture plant closure.
- Tax rates for fiscal year 2019-20 were reduced to 60 cents per \$100 valuation. This rate was reduced because collections are on the rise with Graham County performing tax collections and the Town's participation in the NC debt set-off program. Property taxes are based on the revaluation by Graham County's property tax appraisals implemented on January 1, 2015.
- The Town's efforts to cut costs have increased cash flows. The Town also paid off two loans during the past fiscal year and has moved more funds to the NCCMT fund where interest rates have been favorable and interest income has increased.
- A new Finance Director replaced the contract CPA bookkeeper two years ago. This reduced expenses by approximately \$19,000. Employee contracts have also been dissolved by the new Board to keep costs down and reduce liability. The Board and the Finance Director have received training from the local government commission to improve skills regarding governmental operations.
- To assist with internal control the Board voted to have an Alderman review the bank reconciliations.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Town of Robbinsville, North Carolina, 4 Court Street, Robbinsville, North Carolina, 28771.

BASIC FINANCIAL STATEMENTS



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

| | Primary Government | | | Robbinsville Tourism Development Authority |
|---|------------------------------------|-------------------------------------|----------------------|---|
| | Governmental Activities | Business-type Activities | Total | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 881,983 | \$ 499,929 | \$ 1,381,912 | \$ 52,212 |
| Taxes receivables (net) | 38,789 | - | 38,789 | - |
| Accrued interest receivable on taxes | 4,650 | - | 4,650 | - |
| Accounts receivable (net) | - | 127,022 | 127,022 | 4,321 |
| Due from other governments | 61,926 | 8,480 | 70,406 | - |
| Internal balances | 4,074 | (4,074) | - | - |
| Restricted cash - USDA loan reserve | | 50,680 | 50,680 | - |
| Total current assets | <u>991,422</u> | <u>682,037</u> | <u>1,673,459</u> | <u>56,533</u> |
| Non-current assets: | | | | |
| Capital assets: | | | | |
| Land | - | 227,497 | 227,497 | - |
| Other capital assets, net of depreciation | 93,050 | 14,665,203 | 14,758,253 | 2,021 |
| Total capital assets | <u>93,050</u> | <u>14,892,700</u> | <u>14,985,750</u> | <u>2,021</u> |
| Total assets | <u>1,084,472</u> | <u>15,574,737</u> | <u>16,659,209</u> | <u>58,554</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Contributions to pension plan in current fiscal year | 9,842 | 24,469 | 34,311 | - |
| Pension deferrals | 36,687 | 89,819 | 126,506 | - |
| Total deferred outflows of resources | <u>46,529</u> | <u>114,288</u> | <u>160,817</u> | <u>-</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 15,061 | 48,052 | 63,113 | - |
| Accrued liabilities | 4,460 | 10,522 | 14,982 | - |
| Customer deposits | - | 60,400 | 60,400 | - |
| Current portion of long-term liabilities | 5,000 | 103,395 | 108,395 | - |
| Total current liabilities | <u>24,521</u> | <u>222,369</u> | <u>246,890</u> | <u>-</u> |
| Long-term liabilities: | | | | |
| Net pension liability | 39,099 | 95,650 | 134,749 | - |
| Due in more than one year | 4,196 | 2,680,981 | 2,685,177 | - |
| Total liabilities | <u>67,816</u> | <u>2,999,000</u> | <u>3,066,816</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension deferrals | 277 | 679 | 956 | - |
| Total deferred inflows of resources | <u>277</u> | <u>679</u> | <u>956</u> | <u>-</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 93,050 | 12,138,144 | 12,231,194 | 2,021 |
| Restricted for: | | | | |
| Stabilization by State Statute | 66,030 | - | 66,030 | 4,321 |
| Loan covenant reserve | - | 50,680 | 50,680 | - |
| Unrestricted | 903,828 | 500,522 | 1,404,350 | 52,212 |
| Total net position | <u>\$ 1,062,908</u> | <u>\$ 12,689,346</u> | <u>\$ 13,752,254</u> | <u>\$ 58,554</u> |

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

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

Exhibit "B"

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|--|--------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------|----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Unit |
| | | | | | Governmental Activities | Business-type Activities | Total | |
| Primary government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 272,063 | \$ - | \$ - | \$ - | \$ (272,063) | \$ - | \$ (272,063) | \$ - |
| Public safety | 1,019 | - | - | - | (1,019) | - | (1,019) | - |
| Economic Development | 11,456 | - | - | - | (11,456) | - | (11,456) | - |
| Transportation | 205,316 | - | 16,553 | - | (188,763) | - | (188,763) | - |
| Cultural and Recreational | 5,500 | - | - | - | (5,500) | - | (5,500) | - |
| Total governmental activities | 495,354 | - | 16,553 | - | (478,801) | - | (478,801) | - |
| Business-type activities: | | | | | | | | |
| Water and Sewer | 1,432,675 | 1,188,863 | 54,066 | - | - | (189,746) | (189,746) | - |
| Total business-type activities | 1,432,675 | 1,188,863 | 54,066 | - | - | (189,746) | (189,746) | - |
| Total primary government | \$ 1,928,029 | \$ 1,188,863 | \$ 70,619 | \$ - | (478,801) | (189,746) | (668,547) | - |
| Component Unit: | | | | | | | | |
| Robbinsville Tourism Development Authority | \$ 27,884 | \$ - | \$ - | \$ - | - | - | - | (27,884) |
| Total component units | \$ 27,884 | \$ - | \$ - | \$ - | - | - | - | (27,884) |
| General revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 325,147 | - | 325,147 | - |
| Other taxes | | | | | 247,101 | - | 247,101 | 38,522 |
| Unrestricted investment earnings | | | | | 3,861 | 2,950 | 6,811 | - |
| Total general revenues excluding transfers | | | | | 576,109 | 2,950 | 579,059 | 38,522 |
| Transfers | | | | | (10,543) | 10,543 | - | - |
| Total general revenues and transfers | | | | | 565,566 | 13,493 | 579,059 | 38,522 |
| Change in net position | | | | | 86,765 | (176,253) | (89,488) | 10,638 |
| Net position-beginning | | | | | 976,143 | 12,865,599 | 13,841,742 | 47,916 |
| Net position-ending | | | | | \$ 1,062,908 | \$ 12,689,346 | \$ 13,752,254 | \$ 58,554 |

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

Town of Robbinsville, North Carolina
Balance Sheet
Governmental Fund
June 30, 2019

| | <u>General</u> |
|--|-------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 881,983 |
| Taxes receivables, net | 38,789 |
| Due from other governments | 61,926 |
| Due from other funds | 4,074 |
| Total assets | <u>\$ 986,772</u> |
| LIABILITIES | |
| Accounts payable | \$ 15,061 |
| Accrued liabilities | 4,460 |
| Total liabilities | <u>19,521</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property taxes receivable | 38,789 |
| Total deferred inflows of resources | <u>38,789</u> |
| FUND BALANCES | |
| Restricted | |
| Stabilization by State Statute | 66,030 |
| Unassigned | 862,432 |
| Total fund balances | <u>928,462</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 986,772</u> |

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

| | |
|--|---------------------|
| Total fund balance, Governmental Fund | \$ 928,462 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | 93,050 |
| Net pension liability | (39,099) |
| Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position | 9,842 |
| Accrued interest receivable on ad valorem taxes receivable | 4,650 |
| Liabilities for earned revenues considered deferred inflows of resources in fund statements | 38,789 |
| Pension related deferrals, net | 36,410 |
| Some liabilities, including installment purchases payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds. | <u>(9,196)</u> |
| Net position of governmental activities | <u>\$ 1,062,908</u> |

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

Town of Robbinsville, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2019

| | <u>General</u> |
|---|--------------------------|
| REVENUES | |
| Ad valorem taxes | \$ 357,895 |
| Unrestricted intergovernmental revenues | 247,101 |
| Restricted intergovernmental revenues | 16,553 |
| Investment earnings | 3,861 |
| Total revenues | <u>625,410</u> |
| EXPENDITURES | |
| Current: | |
| General government | 264,840 |
| Public safety | 1,019 |
| Economic Development | 7,128 |
| Transportation | 204,245 |
| Cultural and recreational | 5,500 |
| Total expenditures | <u>482,732</u> |
| Revenues over expenditures | <u>142,678</u> |
| OTHER FINANCING SOURCES (USES) | |
| Transfers to/from other funds | <u>-</u> |
| Net change in fund balance | 142,678 |
| Fund balances, beginning | 785,784 |
| Fund balances-ending | <u><u>\$ 928,462</u></u> |

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

Town of Robbinsville, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2019

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

| | |
|---|------------------|
| Net changes in fund balances - total governmental fund | \$ 142,678 |
| 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 | 16,472 |
| Transfer of fixed asset (net) to Water/Sewer Fund | (18,308) |
| Current provision for depreciation | (16,465) |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 9,842 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position: | |
| Transfer of debt (secured by fixed asset) to Water/Sewer | 7,765 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds: | |
| Change in unavailable revenue for tax revenues | (32,748) |
| 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 the governmental fund: | |
| Change in compensated absences | (5,964) |
| Pension expense | (16,507) |
| Total changes in net position of governmental activities | <u>\$ 86,765</u> |

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

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

| | General Fund | | | |
|--|---------------------|----------------|-------------------|--|
| | Original | Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| Revenues: | | | | |
| Ad valorem taxes | \$ 274,387 | \$ 314,387 | \$ 357,895 | \$ 43,508 |
| Unrestricted intergovernmental | 271,700 | 255,000 | 247,101 | (7,899) |
| Restricted intergovernmental | 17,000 | 17,000 | 16,553 | (447) |
| Investment earnings | 400 | 400 | 3,861 | 3,461 |
| Total revenues | <u>563,487</u> | <u>586,787</u> | <u>625,410</u> | <u>38,623</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 286,825 | 292,282 | 264,840 | 27,442 |
| Public safety | 6,150 | 6,150 | 1,019 | 5,131 |
| Economic Development | 17,700 | 7,760 | 7,128 | 632 |
| Transportation | 247,312 | 275,095 | 204,245 | 70,850 |
| Cultural and recreational | 5,500 | 5,500 | 5,500 | - |
| Total expenditures | <u>563,487</u> | <u>586,787</u> | <u>482,732</u> | <u>104,055</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>142,678</u> | <u>142,678</u> |
| Other financing sources (uses): | | | | |
| Transfers to (from) other funds | - | - | - | - |
| Appropriations from fund balance | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 142,678 | <u>\$ 142,678</u> |
| Fund balances, beginning of year | | | 785,784 | |
| Fund balances, end of year | | | <u>\$ 928,462</u> | |

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

Town of Robbinsville, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2019

| | | Major Enterprise Fund | Water and Sewer Fund |
|---|----|--------------------------|-------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ | 499,929 | |
| Accounts receivable | | 127,022 | |
| Due from other governments | | 8,480 | |
| Restricted cash - USDA loan reserve | | 50,680 | |
| Total current assets | | 686,111 | |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land | | 227,497 | |
| Other capital assets, net of depreciation | | 14,665,203 | |
| Capital assets | | 14,892,700 | |
| Total noncurrent assets | | 14,892,700 | |
| Total assets | \$ | 15,578,811 | |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Contributions to pension plan | \$ | 24,469 | |
| Pension deferrals | | 89,819 | |
| Total deferred outflows of resources | | 114,288 | |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ | 48,052 | |
| Accrued liabilities | | 10,522 | |
| Due to other funds | | 4,074 | |
| Customer Deposits | | 60,400 | |
| Long-term debt-current portion due | | 103,395 | |
| Total current liabilities | | 226,443 | |
| Noncurrent liabilities: | | | |
| Net pension liability | | 95,650 | |
| Revenue Bonds | | 1,822,000 | |
| USDA Loans | | 313,640 | |
| Installment purchases payable | | 530,521 | |
| Compensated absences | | 14,820 | |
| Total noncurrent liabilities | | 2,776,631 | |
| Total liabilities | | 3,003,074 | |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension deferrals | \$ | 679 | |
| NET POSITION | | | |
| Net investment in capital assets | | 12,138,144 | |
| Restricted - loan covenant reserve | | 50,680 | |
| Unrestricted | | 500,522 | |
| Total net position | \$ | 12,689,346 | |

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

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

| | Major Enterprise Fund |
|---|----------------------------------|
| | Water and Sewer Fund |
| OPERATING REVENUES | |
| Charges for services - water | \$ 767,243 |
| Charges for services - sewer | 393,155 |
| Other operating revenues | 28,465 |
| Total operating revenues | <u>1,188,863</u> |
| OPERATING EXPENSES | |
| Water administration | 29,338 |
| Water treatment and distribution | 344,044 |
| Water plant maintenance | 204,032 |
| Sewer administration | 28,967 |
| Sewer treatment and plant maintenance | 277,042 |
| Depreciation | 477,418 |
| Total operating expenses | <u>1,360,841</u> |
| Operating income (loss) | <u>(171,978)</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| Investment earnings | 2,950 |
| Non capital grant revenues | 54,066 |
| Interest expense | (71,834) |
| Total nonoperating revenue (expenses) | <u>(14,818)</u> |
| Income (Loss) before contributions and transfers | (186,796) |
| Transfer from General Fund | <u>10,543</u> |
| Change in net position | (176,253) |
| Total net position - beginning | 12,865,599 |
| Total net position - ending | <u><u>\$ 12,689,346</u></u> |

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

**Town of Robbinsville
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2019**

| | Major Enterprise Fund Water and Sewer Fund |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash received from customers | \$ 1,165,422 |
| Cash paid for goods and services | (449,265) |
| Cash paid to or on behalf of employees for services | (389,188) |
| Other operating revenues | 28,465 |
| Net cash provided by operating activities | <u>355,434</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | |
| Non capital grant revenues | 54,066 |
| Decrease in due to other funds | (119,676) |
| Net cash used by non-capital financing activities | <u>(65,610)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition of capital assets | (18,456) |
| Debt principal | (149,085) |
| Debt interest | (71,834) |
| Net cash used by capital and related financing activities | <u>(239,375)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Investment earnings | <u>2,950</u> |
| Net increase in cash and cash equivalents | 53,399 |
| Balances-beginning | 497,210 |
| Balances-end of the year | <u>\$ 550,609</u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income (loss) | <u>\$ (171,978)</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 477,418 |
| Changes in assets, deferred outflows and inflows of resources and liabilities | |
| (Increase) decrease in customer accounts receivable | (2,764) |
| (Increase) decrease in other receivables | 548 |
| (Increase) decrease in deferred outflows of resources - pensions | (48,909) |
| Increase (decrease) in net pension liability | 63,675 |
| Increase (decrease) in deferred inflows of resources - pensions | (466) |
| Increase (decrease) in accounts payable and accrued liabilities | 31,414 |
| Increase (decrease) in customer deposits | 7,240 |
| Increase (decrease) in accrued vacation/comp pay | (744) |
| Total adjustments | <u>527,412</u> |
| Net cash provided by operating activities | <u>\$ 355,434</u> |

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

TOWN OF ROBBINSVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

1. Summary of Significant Accounting Policies

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

- A. Reporting Entity - The Town of Robbinsville is a municipal corporation, which is governed by an elected mayor and a three-member board of alderpersons. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

Robbinsville Tourism Authority – The members of the Robbinsville Tourism Development Authority are appointed by the Town of Robbinsville. The Robbinsville Tourism Development Authority, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the Robbinsville Tourism Development Authority may be obtained from the entity's administrative offices at Robbinsville Tourism Development Authority, 4 Court Street, Robbinsville, North Carolina 28771.

B. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *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. 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.

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 result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investments earnings.

The Town reports the following major governmental fund:

General Fund: The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for transportation and general government.

The Town reports the following major enterprise fund:

Water and Sewer Fund: This fund is used to account for the Town's water and sewer operations. A Water and Sewer Capital Projects Fund has been consolidated into The Water and Sewer Fund for financial reporting purposes. The Capital Projects were closed out as of June 30, 2019.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Robbinsville because the tax is levied by Graham County and then remitted to and distributed by the state. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, 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 are adopted for the Enterprise Fund Capital Projects Fund, which is consolidated with the operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board. During the year, eleven amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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

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

Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. Because the NCCMT Governmental Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents: The Town pools money from several funds to facilitate disbursement. Therefore, all cash accounts are essentially demand deposits and are considered cash and cash equivalents. The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Restricted Assets: Powell Bill funds, if any remain at year-end, are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. The restricted Powell Bill funds amounted to \$119 as of June 30, 2019. As a condition of the Town of Robbinsville's Water and Sewer Revenue Bonds, the USDA requires the Town to establish a loan reserve account, increasing in balance over ten years until the balance reaches the equivalent of one annual payment on the Town's Water and Sewer Revenue Bonds. At June 30, 2019, the Town's restricted cash for the USDA loan reserve totaled \$50,680.

Ad Valorem Taxes Receivable: In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2015.

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

Capital Assets: Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are as follows: \$25,000, building and improvements; \$1,000, furniture and equipment; \$2,500, vehicles; \$100,000, plant and distribution system. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are recorded at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

| | <u>Estimated Useful Lives</u> |
|-------------------------------|-------------------------------|
| Buildings | 50 years |
| Furniture and equipment | 5-15 years |
| Other improvements | 30 years |
| Vehicles | 5-15 years |
| Plant and distribution system | 10-50 years |

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that

applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, contributions made to the pension plan in the 2019 fiscal year and pension deferrals resulting from the application of GASB 68. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category – prepaid taxes, if any, property taxes receivable and pension deferrals.

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 or proprietary fund type statement of net position.

Compensated Absences: The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary fund, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a last-in, first-out method of using accumulated compensated time assuming that employees are taking leave time as it is earned. 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 Town's sick leave policy provides for an unlimited accumulation of earned sick leave for full-time employees. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

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 can be composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

Restricted fund balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law:

- **Restricted for Stabilization by State statute** – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance*

in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Committed Fund Balance – portion of fund balance that can be only be used for specific purposes imposed by majority vote by quorum of Town of Robbinsville’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise limitation.

Assigned Fund Balance - This classification includes amounts that the Board intends to use for specific purposes.

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

Unassigned Fund Balance - This classification includes amounts that have not been restricted, committed, or assigned to specific purposes or other funds.

The Town does not have a formal revenue spending policy. However, it is the Town’s practice to use resources in the following hierarchy: installment loan proceeds, federal funds, State funds, local non-town funds, and town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by assigned fund balance and, lastly, unassigned fund balance.

The Town does not have a formal fund balance policy. Therefore, the unassigned fund balance in the General Fund is available for appropriation.

Defined Benefit Cost Sharing Plans: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees’ Retirement System (LERS) and additions to/deductions from LERS’ fiduciary net position have been determined on the same basis as they are reported by LERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Robbinsville’s employer contributions are recognized when due and the Town of Robbinsville has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LERS. Investments are reported at fair value.

2. Stewardship, Compliance, and Accountability

The Town had no violations of non-compliance with State Statutes for the year ended June 30, 2019.

3. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town and the Tourism Development Authority 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 and Tourism Development Authority's agent in these unit's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the Tourism Development Authority, these deposits are considered to be held by the Town and Tourism Development Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, the Tourism Development Authority, or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town or Tourism Development Authority under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. Neither the Town nor the Tourism Development Authority has a policy regarding custodial credit risk for deposits.

At year-end, the Town's deposits had a carrying amount of \$1,432,343 and a bank balance of \$1,504,563. Of the bank balance, \$250,000 was covered by federal depository insurance, \$378,728 was invested in the NCCMT and \$875,835 was covered by collateral held under the Pooling Method. The Town also had cash on hand of \$249 at June 30, 2019. The carrying amount of deposits for the Tourism Development Authority was \$52,212 and the bank balance was \$52,212. All of the Tourism Development Authority's bank balance was covered by federal depository insurance.

2. Investments

At June 30, 2019, the Town of Robbinsville had \$378,728 invested with the North Carolina Capital Management's Trust Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The town had no policy regarding credit risk.

3. Receivables

Receivables at the government-wide level at June 30, 2019 were as follows:

| | <u>Taxes</u> | <u>Accrued Interest</u> | <u>Accounts</u> | <u>Due From Grants</u> | <u>Due From Other Governments</u> | <u>Total</u> |
|---------------------------------|------------------|-----------------------------|-------------------|----------------------------|---|-------------------|
| Governmental activities | \$ 72,789 | \$ 4,650 | \$ - | \$ - | \$ 61,926 | \$ 139,365 |
| Business-type activities | - | - | 174,422 | - | 8,480 | 182,902 |
| Allowance for doubtful accounts | (34,000) | - | (47,400) | - | - | (81,400) |
| Total government-wide | <u>\$ 38,789</u> | <u>\$ 4,650</u> | <u>\$ 127,022</u> | <u>\$ -</u> | <u>\$ 70,406</u> | <u>\$ 240,867</u> |

All amounts are scheduled for collection during the subsequent year.

4. Capital Assets:

Capital asset activity of the primary government for the year ended June 30, 2019, was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|------------------|------------------|----------------------------|
| Governmental activities: | | | | |
| Capital assets being depreciated: | | | | |
| Furniture and equipment | \$ 75,676 | \$ 16,472 | \$ - | \$ 92,148 |
| Other improvements | 108,540 | - | - | 108,540 |
| Vehicles and motorized equipment | 340,504 | - | 31,840 | 308,664 |
| Total capital assets being depreciated | <u>524,720</u> | <u>16,472</u> | <u>31,840</u> | <u>509,352</u> |
| Less accumulated depreciation for: | | | | |
| Furniture and equipment | 52,101 | 6,579 | - | 58,680 |
| Other improvements | 62,126 | 5,351 | - | 67,477 |
| Vehicles and motorized equipment | 299,142 | 4,535 | 13,532 | 290,145 |
| Total accumulated depreciation | <u>413,369</u> | <u>16,465</u> | <u>13,532</u> | <u>416,302</u> |
| Governmental activity capital assets, net | <u>\$ 111,351</u> | | | <u>\$ 93,050</u> |

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

| | |
|--------------------------------|------------------|
| General government | \$ 4,934 |
| Economic Development | 4,328 |
| Transportation | <u>7,203</u> |
| Total depreciation expense | <u>\$ 16,465</u> |

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|------------------|------------------|----------------------------|
| Business-type activities: | | | | |
| <i>Water and sewer fund</i> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 227,497 | \$ - | \$ - | \$ 227,497 |
| Construction in progress | - | - | - | - |
| Total capital assets not being depreciated | <u>227,497</u> | <u>-</u> | <u>-</u> | <u>227,497</u> |
| Capital assets being depreciated: | | | | |
| Furniture and equipment | 294,463 | 18,457 | - | 312,920 |
| Plant and distribution system | 20,944,232 | - | - | 20,944,232 |
| Vehicles and motorized equipment | 113,554 | 31,840 | - | 145,394 |
| Total capital assets being depreciated | <u>21,352,249</u> | <u>50,297</u> | <u>-</u> | <u>21,402,546</u> |
| Less accumulated depreciation for: | | | | |
| Furniture and equipment | 242,403 | 7,859 | - | 250,262 |
| Plant and distribution system | 5,906,508 | 463,408 | - | 6,369,916 |
| Vehicles and motorized equipment | 97,482 | 19,683 | - | 117,165 |
| Total accumulated depreciation | <u>6,246,393</u> | <u>490,950</u> | <u>-</u> | <u>6,737,343</u> |
| Total capital assets being depreciated, net | <u>15,105,856</u> | | | <u>14,665,203</u> |
| Business -type activities capital assets, net | <u>\$15,333,353</u> | | | <u>\$ 14,892,700</u> |

Construction Commitments

The Town of Robbinsville has no construction commitments at June 30, 2019 as all prior period grant related construction projects were completed during the fiscal year and no new construction projects had begun.

B. Liabilities

1. Local Governmental Employees' Retirement System

Plan Description

The Town of Robbinsville is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State

Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Robbinsville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Robbinsville's contractually required contribution rate for the year ended June 30, 2019, was 7.75% of compensation for law enforcement officers, general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Robbinsville were \$34,311 for the year ended June 30, 2019.

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

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

At June 30, 2019, the Town reported a liability of \$134,749 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of

December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018 (measurement date); the Town's proportion was 0.00568%, which was an increase of 0.00269% of its proportional share measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized pension expense of \$55,276. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 20,789 | \$ 698 |
| Changes of assumptions | 35,757 | - |
| Net difference between projected and actual earnings | 18,497 | - |
| Changes in proportion and differences between employer contributions and proportionate share of | 51,463 | 258 |
| Employer contributions subsequent to the measurement date | 34,311 | - |
| Total | <u>\$ 160,817</u> | <u>\$ 956</u> |

\$34,311 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

| | |
|------------|-------------------|
| 2020 | \$ 52,348 |
| 2021 | 37,904 |
| 2022 | 14,374 |
| 2023 | 20,924 |
| 2024 | - |
| Thereafter | - |
| | <u>\$ 125,550</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3.0 percent |
| Salary increases | 3.50 to 8.10 percent, including inflation and productivity factor |
| Investment rate of return | 7.00 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|--------------------------|---|
| Fixed Income | 29.0% | 1.4% |
| Global Equity | 42.0% | 5.3% |
| Real Estate | 8.0% | 4.3% |
| Alternatives | 8.0% | 8.9% |
| Credit | 7.0% | 6.0% |
| Inflation Protection | 6.0% | 4.0% |
| Total | 100% | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|--------------------------|------------------------|
| Town's proportionate share of the net pension liability (asset) | \$ 323,679 | \$ 134,749 | \$ (23,124) |

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

2. Other Employment Benefits

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

For the fiscal year ended June 30, 2019, the Town made contributions to the State for death benefits of \$354. The Town's required contributions for employees represented 0.08% of covered payroll.

3. Deferred Outflows and Inflows of Resources

The Town has several deferred outflows and inflows of resources.

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

| Source | Amount |
|---|-------------------|
| Contributions to pension plan in current fiscal year | \$ 34,311 |
| Differences between expected and actual experience | 20,789 |
| Changes of assumptions | 35,757 |
| Net differences between projected and actual earnings | 18,497 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 51,463 |
| Total | <u>\$ 160,817</u> |

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

| | Statement of Net Position | General Fund Balance Sheet |
|--|------------------------------|-------------------------------|
| Differences between expected and actual experience | | |
| Taxes Receivable, less penalties (General Fund) | \$ 38,789 | \$ 38,789 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 258 | - |
| Differences between expected and actual experience | 698 | - |
| Total | <u>\$ 39,745</u> | <u>\$ 38,789</u> |

2. 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 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 insured values of the property policy, worker's 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. 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 Town upon request.

The Town carries commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and, settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

The Town has not experienced significant flooding in the past years; therefore, the Town does not consider flood insurance necessary at this time.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000 and the tax collector is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

3. Long Term Obligations

a. Installment Purchases

Serviced by Water and Sewer Fund:

Drinking Water - Long's Creek Storage Tank, executed March 2011 for \$748,471, due in annual installments of \$37,424 through May 2031, interest calculated additional at 2.22%. \$ 487,418

Sanitary Sewer - Tallulah Creek and Atoah Street, executed April 2013 for \$139,536, due in annual installments of \$6,977 through May 2032, interest calculated additional at 2.00%, 90,698

Total installment purchases serviced by the water and sewer fund \$ 578,116

Annual debt service requirements to maturity for installment purchases are as follows:

| Year Ending June 30 | <u>Business-type Activities</u> | |
|------------------------|---------------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$ 47,595 | \$ 12,635 |
| 2021 | 47,595 | 11,593 |
| 2022 | 47,595 | 10,552 |
| 2023 | 47,595 | 9,510 |
| 2024 | 47,595 | 9,371 |
| 2025-2029 | 237,975 | 31,235 |
| 2030-2031 | 102,166 | 6,249 |
| Total | <u>\$ 578,116</u> | <u>\$ 91,145</u> |

b. Revenue Bonds

\$1,665,000 Water and Sewer Revenue Bond, Series 2013A, issued for the construction of a waste water treatment facility. Principle and interest installments are due annually on June 1, at an annual interest rate of 2.75%. \$ 1,514,000

\$385,000 Water and Sewer Revenue Bond, Series 2013B issued for the construction of a waste water treatment facility. Principle and interest installments are due annually on June 1, at an annual interest rate of 2.00%. 343,000

\$250,000 Water and Sewer Revenue Bond, Series 2016A issued for the construction of a lime stabilization facility. Principle and interest installments due annually in December, at an annual interest rate of 1.875%. 240,036

\$83,000 Water and Sewer Revenue Bond, Series 2016B issued for the construction of a lime stabilization facility. Principle and interest installments due annually in December, at an annual interest rate of 1.875%. 79,404

Total Revenue Bonds \$ 2,176,440

The future payments of the revenue bonds are as follows:

| Year Ending June 30 | Business-type Activities | |
|------------------------|--------------------------|---------------------|
| | Principal | Interest |
| 2020 | \$ 40,800 | \$ 54,524 |
| 2021 | 41,067 | 53,504 |
| 2022 | 42,101 | 52,482 |
| 2023 | 44,215 | 51,430 |
| 2024 | 45,332 | 50,328 |
| 2025-2029 | 240,485 | 233,884 |
| 2030-2034 | 271,744 | 202,594 |
| 2035-2039 | 308,321 | 166,735 |
| 2040-2044 | 350,245 | 125,904 |
| 2045-2049 | 396,551 | 79,450 |
| 2050-2054 | 363,278 | 26,791 |
| 2055-2057 | 32,301 | 1,299 |
| Total | <u>\$2,176,440</u> | <u>\$ 1,098,925</u> |

The Town is in compliance with bond requirements to establish a loan reserve by making annual deposits equal to one-tenth of the Debt Service Reserve Fund until the total is reached. The Final Debt Service Reserve Fund requirement is defined in the Bond Order at approximately \$82,500. At June 30, 2019, the Town had set aside \$50,680 into this loan reserve, meeting the required reserve amount set forth.

The Town has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$2,050,000 in water and sewer system revenue bonds issued in December 2013 and December 2016, respectively. Proceeds from the bonds provided financing for the construction of a waste water treatment and sludge dewatering facility on Sandhole Road. The bonds are payable solely from water and sewer customer net revenues and are payable through 2053 and 2057, respectively. Annual principal and interest payments are expected to be approximately \$82,500 on the 2013 bonds and \$11,900 on the 2016 bonds. The total principal and interest remaining to be paid on the bonds is \$3,275,365. Principal and interest paid for the current year was \$95,286.

The remaining legal debt margin of the Town at June 30, 2019, was \$3,551,472.

c. Changes in Long-Term Liabilities

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Current Portion of Balance</u> |
|--|------------------------------|------------------|-------------------|---------------------------|---------------------------------------|
| Governmental activities: | | | | | |
| Installment purchase | \$ 7,765 | \$ - | \$ 7,765 | \$ - | \$ - |
| Net pension obligation (LGRS) | 13,704 | 25,395 | - | 39,099 | - |
| Compensated absences | 3,232 | 8,226 | 2,262 | 9,196 | 5,000 |
| Governmental activity long-term liabilities | <u>\$ 24,701</u> | <u>\$ 33,621</u> | <u>\$ 10,027</u> | <u>\$ 48,295</u> | <u>\$ 5,000</u> |
| Business-type activities: | | | | | |
| General Obligation Bonds | \$ 53,750 | \$ - | \$ 53,750 | \$ - | \$ - |
| Revenue Bonds | 2,216,415 | - | 39,975 | 2,176,440 | 40,800 |
| Installment purchase | 625,711 | 7,765 | 55,360 | 578,116 | 47,595 |
| Net pension obligation (LGRS) | 31,975 | 63,675 | - | 95,650 | - |
| Compensated absences | 30,564 | 13,259 | 14,003 | 29,820 | 15,000 |
| Business-type long-term activity | <u>\$ 2,958,415</u> | <u>\$ 84,699</u> | <u>\$ 163,088</u> | <u>\$ 2,880,026</u> | <u>\$ 103,395</u> |

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2019 consist of the following:

Due to the General Fund from the Water and Sewer Fund \$ 4,074

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.

D. Net Investment in Capital Assets

| | <u>Governmental</u> | <u>Business-Type</u> |
|----------------------------------|---------------------|----------------------|
| Capital assets | \$ 93,050 | \$ 14,892,700 |
| Less: long-term debt | - | 2,754,556 |
| Net investment in capital assets | <u>\$ 93,050</u> | <u>\$ 12,138,144</u> |

E. **Fund Balance**

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

| | |
|-------------------------------------|-------------------|
| Total fund balance - General Fund | \$ 928,462 |
| Less: | |
| Stabilization by State Statute | 66,030 |
| Working Capital/Fund Balance Policy | - |
| Remaining Fund Balance | <u>\$ 862,432</u> |

F. **Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs: The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

G. **Significant Effects of Subsequent Events**

Subsequent events have been evaluated through October 31, 2019, which is the date the audit report was available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

Schedule "1"

**Town of Robbinsville, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Six Fiscal Years***

Local Government Employees' Retirement System

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------|-----------|------------|-----------|-------------|------------|
| Robbinsville's proportion of the net pension liability (asset) (%) | 0.00568% | 0.00299% | 0.00572% | 0.00529% | 0.00479% | 0.00450% |
| Robbinsville's proportion of the net pension liability (asset) (\$) | \$ 134,749 | \$ 45,679 | \$ 121,398 | \$ 23,742 | \$ (28,249) | \$ 54,242 |
| Robbinsville's covered-employee payroll (as of the prior fiscal year) * | \$ 369,244 | \$248,463 | \$ 322,599 | \$322,802 | \$293,609 | \$ 293,609 |
| Robbinsville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 36.49% | 18.38% | 37.63% | 7.35% | (9.62%) | 18.47% |
| Plan fiduciary net position as a percentage of the total pension liability** | 92.00% | 94.18% | 91.47% | 98.09% | 102.64% | 94.35% |

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

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

Town of Robbinsville, North Carolina
Schedule of Contributions
Required Supplementary Information
Last Six Fiscal Years

Local Government Employees' Retirement System

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ 34,311 | \$ 54,722 | \$ 36,201 | \$ 45,132 | \$ 22,822 | \$ 42,250 |
| Contributions in relation to the contractually required contribution | <u>34,311</u> | <u>54,722</u> | <u>36,201</u> | <u>45,132</u> | <u>22,822</u> | <u>42,250</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Robbinsville's covered-employee payroll | \$442,721 | \$369,244 | \$248,463 | \$322,599 | \$322,802 | \$293,609 |
| Contributions as a percentage of covered-employee payroll | 7.75% | 14.82% | 14.57% | 13.99% | 7.07% | 14.39% |

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Schedule "3"

Town of Robbinsville, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

| | 2019 | | Variance |
|---------------------------------|------------|------------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Revenues: | | | |
| Ad valorem taxes: | | | |
| Taxes | | \$ 353,580 | |
| Penalties and interest | | 4,315 | |
| Total | \$ 314,387 | 357,895 | \$ 43,508 |
| Unrestricted intergovernmental: | | | |
| Local option sales tax | | 141,939 | |
| Utility sales tax | | 88,342 | |
| Telecommunications sales tax | | 15,913 | |
| Video programming distribution | | 494 | |
| Solid waste disposal tax | | 413 | |
| Miscellaneous | | - | |
| Total | 255,000 | 247,101 | (7,899) |
| Restricted intergovernmental: | | | |
| Powell Bill allocation | | 16,553 | |
| Total | 17,000 | 16,553 | (447) |
| Investment earnings | 400 | 3,861 | 3,461 |
| Total revenues | 586,787 | 625,410 | 38,623 cont. |

Town of Robbinsville, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

| | 2019 | | Variance |
|--------------------------------|---------|---------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Expenditures: | | | |
| General government: | | | |
| Mayor's expenses | | 17,821 | |
| Aldermens' expenses | | 28,800 | |
| Group insurance | | - | |
| Parade and dances | | 3,881 | |
| Miscellaneous | | - | |
| Total | 59,700 | 50,502 | 9,198 |
| Finance: | | | |
| Salaries and employee benefits | | 68,988 | |
| Operating expenses | | 145,350 | |
| Total | 232,582 | 214,338 | 18,244 |
| Total general government | 292,282 | 264,840 | 27,442 |
| Public safety: | | | |
| Police: | | | |
| Operating expenditures | - | - | - |
| Fire: | | | |
| Operating expenditures | 6,150 | 1,019 | 5,131 |
| Total public safety | 6,150 | 1,019 | 5,131 |

cont.

Town of Robbinsville, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

| | 2019 | | Variance |
|------------------------------------|----------------|-------------------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Economic Development: | | | |
| Salaries and employee benefits | | - | |
| Festivals and events | | 7,128 | |
| Capital outlays | | - | |
| Total economic development | <u>7,760</u> | <u>7,128</u> | <u>632</u> |
| Transportation: | | | |
| Streets and highways: | | | |
| Salaries and employee benefits | | 135,413 | |
| Operating expenditures | | 52,360 | |
| Capital outlays | | 16,472 | |
| Total transportation | <u>275,095</u> | <u>204,245</u> | <u>70,850</u> |
| Cultural and recreational: | | | |
| Donation to County library | <u>5,500</u> | <u>5,500</u> | <u>-</u> |
| Debt service: | | | |
| Principal | | - | |
| Interest | | - | |
| Total debt service | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>586,787</u> | <u>482,732</u> | <u>104,055</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>142,678</u> | <u>142,678</u> |
| Other financing sources (uses): | | | |
| Transfer from other funds | - | - | - |
| Fund Balance Appropriated | - | - | - |
| Total | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>142,678</u> | <u>\$ 142,678</u> |
| Fund balances, beginning | | <u>785,784</u> | |
| Fund balances, ending | | <u>\$ 928,462</u> | |

Town of Robbinsville, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2019

Schedule "4"

| | 2019 | | Variance |
|---|-----------|------------|---------------------|
| | Budget | Actual | Positive/(Negative) |
| Revenues: | | | |
| Operating revenues: | | | |
| Water charges | \$ | \$ 756,525 | \$ |
| Water taps, reconnect and other fees | | 10,718 | |
| Sewer charges | | 381,992 | |
| Sewer taps, reconnect and other fees | | 3,061 | |
| Sewer dump revenue | | 8,102 | |
| Total charges for services | 1,125,934 | 1,160,398 | 34,464 |
| Other miscellaneous operating revenues | 31,216 | 28,465 | (2,751) |
| Total operating revenues | 1,157,150 | 1,188,863 | 31,713 |
| Nonoperating revenues (expenses): | | | |
| Non capital grant revenues | | 54,066 | |
| Investment earnings | | 2,950 | |
| Total nonoperating revenues | 39,866 | 57,016 | 17,150 |
| Total revenues | 1,197,016 | 1,245,879 | 48,863 |
| Expenditures: | | | |
| Water administration | | | |
| Salaries and employee benefits | | 27,513 | |
| Other departmental expenditures | | 1,825 | |
| Total | 32,723 | 29,338 | 3,385 |
| Water treatment and distribution: | | | |
| Salaries and employee benefits | | 187,793 | |
| Supplies | | 40,194 | |
| Utilities | | 38,618 | |
| Maintenance and repair | | 33,837 | |
| Other department expenses | | 41,495 | |
| Total | 370,982 | 341,937 | 29,045 |
| Water plant maintenance: | | | |
| Salaries and employee benefits | | 124,607 | |
| Supplies | | 23,388 | |
| Utilities | | 9,528 | |
| Maintenance and repair | | 28,888 | |
| Other department expenses | | 17,621 | |
| Total | 224,816 | 204,032 | 20,784 |
| Sewer administration | | | |
| Salaries and employee benefits | | 26,779 | |
| Other departmental expenditures | | 2,188 | |
| Total | 32,723 | 28,967 | 3,756 |
| Sewer treatment and plant maintenance: | | | |
| Salaries and employee benefits | | 98,207 | |
| Contracted services | | 56,633 | |
| Supplies | | 30,157 | |
| Utilities | | 64,139 | |
| Maintenance and repair | | 32,893 | |
| Other department expenses | | 2,021 | |
| Total | 310,594 | 284,050 | 26,544 |
| Debt service: | | | |
| Principal retirement - water | | 48,383 | |
| Principal retirement - sewer | | 100,702 | |
| Interest and fees - water | | 11,722 | |
| Interest and fees - sewer | | 60,112 | |
| Total debt service | 225,178 | 220,919 | 4,259 |
| Total expenditures | 1,197,016 | 1,109,243 | 87,773 |
| Revenues over expenditures | - | 136,636 | 136,636 |
| Other financing sources: | | | |
| Transfer from General Fund | - | 10,543 | (10,543) |
| Total other financing sources | - | 10,543 | (10,543) |
| Revenues over expenditures and other financing sources | \$ - | \$ 147,179 | \$ 126,093 |
| Reconciliation from budgetary basis (modified accrual) to full accrual: | | | |
| Reconciling items: | | | |
| Payment of debt principal | | 149,085 | |
| Depreciation | | (477,418) | |
| Decrease in accrued vacation/compensated time payable | | 744 | |
| Increase in deferred outflows-pension | | 48,909 | |
| Decrease in deferred inflows-pension | | 466 | |
| Increase in net pension liability | | (63,675) | |
| Capital contributions from capital projects fund | | 18,457 | |
| Total reconciling items | | (323,432) | |
| Change in net position | \$ | (176,253) | |

Town of Robbinsville, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

| <u>Fiscal Year</u> | <u>Uncollected Balance June 30, 2018</u> | <u>Additions</u> | <u>Collections And Credits</u> | <u>Uncollected Balance June 30, 2019</u> |
|---|--|-------------------|------------------------------------|--|
| 2018 - 2019 | \$ - | \$ 332,475 | \$ 313,857 | \$ 18,618 |
| 2017 - 2018 | 26,373 | - | 12,912 | 13,461 |
| 2016 - 2017 | 22,823 | - | 11,686 | 11,137 |
| 2015 - 2016 | 21,460 | - | 14,710 | 6,750 |
| 2014 - 2015 | 8,109 | - | 2,105 | 6,004 |
| 2013 - 2014 | 6,865 | - | 2,293 | 4,572 |
| 2012 - 2013 | 9,343 | - | 4,539 | 4,804 |
| 2011 - 2012 | 5,377 | - | 2,108 | 3,269 |
| 2010 - 2011 | 304 | 2,054 | - | 2,358 |
| 2009 - 2010 | 704 | 2,419 | 1,307 | 1,816 |
| 2008 - 2009 | (292) | - | (292) | - |
| | <u>\$ 101,066</u> | <u>\$ 336,948</u> | <u>\$ 365,225</u> | <u>72,789</u> |
| Less: allowance for uncollectible accounts: | | | | |
| General Fund | | | | <u>(34,000)</u> |
| Ad valorem taxes receivable - net | | | | <u>\$ 38,789</u> |
| <u>Reconcilement with revenues:</u> | | | | |
| Ad valorem taxes - General Fund | | | | \$ 357,895 |
| Reconciling items: | | | | |
| Interest collected | | | | (4,315) |
| Releases, net of other adjustments | | | | 9,132 |
| Taxes written off | | | | 2,513 |
| Subtotal | | | | <u>7,330</u> |
| Total collections and credits | | | | <u>\$ 365,225</u> |

Town of Robbinsville, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2019

| | Town - Wide | | | Total Levy | |
|---------------------------------------|-----------------------------|--------|-------------------|--|---------------------------|
| | Property Valuation | Rate | Total Levy | Property excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original levy: | | | | | |
| Property taxed at current year's rate | \$ 51,150,000 | 0.6500 | \$ 332,475 | \$ 318,124 | \$ 14,351 |
| Discoveries: | | | | | |
| Prior year taxes | 688,154 | 0.6500 | 4,473 | 4,473 | - |
| Total | <u>688,154</u> | | <u>4,473</u> | <u>4,473</u> | <u>-</u> |
| Abatements - current year taxes | <u>218,308</u> | 0.6500 | <u>1,419</u> | <u>1,419</u> | <u>-</u> |
| Total property valuation | <u><u>\$ 51,619,846</u></u> | | | | |
| Current net levy | | | \$ 332,475 | 318,124 | 14,351 |
| Uncollected taxes at June 30, 2019 | | | <u>(18,618)</u> | <u>(18,618)</u> | <u>-</u> |
| Current year's taxes collected | | | <u>\$ 313,857</u> | <u>\$ 299,506</u> | <u>\$ 14,351</u> |
| Current levy collection percentage | | | <u>94.40%</u> | <u>94.15%</u> | <u>100.00%</u> |