

**TOWN OF ROSMAN,  
NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2019**

**TOWN OF ROSMAN, NORTH CAROLINA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**MAYOR**

Brian Shelton

**ALDERMEN**

Larry Bullock                      Jared Crowe

Tricia Hendricks

Mark Miller                      Deedra Shelton

**CLERK-TREASURER**

Angela H. Woodson

**ATTORNEY**

Donald H. Barton

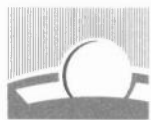
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FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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## **Financial Section**



# CARLAND & ANDERSEN, INC.

CERTIFIED PUBLIC ACCOUNTANTS

89 NORTH CALDWELL STREET • BREVARD, NC 28712

MEMBER - AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Rosman, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 financial statement 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Rosman, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages three through eleven, be presented to supplement the basic financial statements. Such information, although not a required 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 generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Rosman, North Carolina. The individual fund 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 budgetary schedules and other schedules are the responsibility of management and were derived from and relates 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 performed as described above, the individual fund budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Brevard, North Carolina  
January 29, 2020

## **Management's Discussion and Analysis**



# TOWN OF ROSMAN, NORTH CAROLINA

## Management's Discussion and Analysis

As management of the Town of Rosman, we offer readers of the Town of Rosman's financial statements this narrative overview and analysis of the financial activities of the Town of Rosman 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

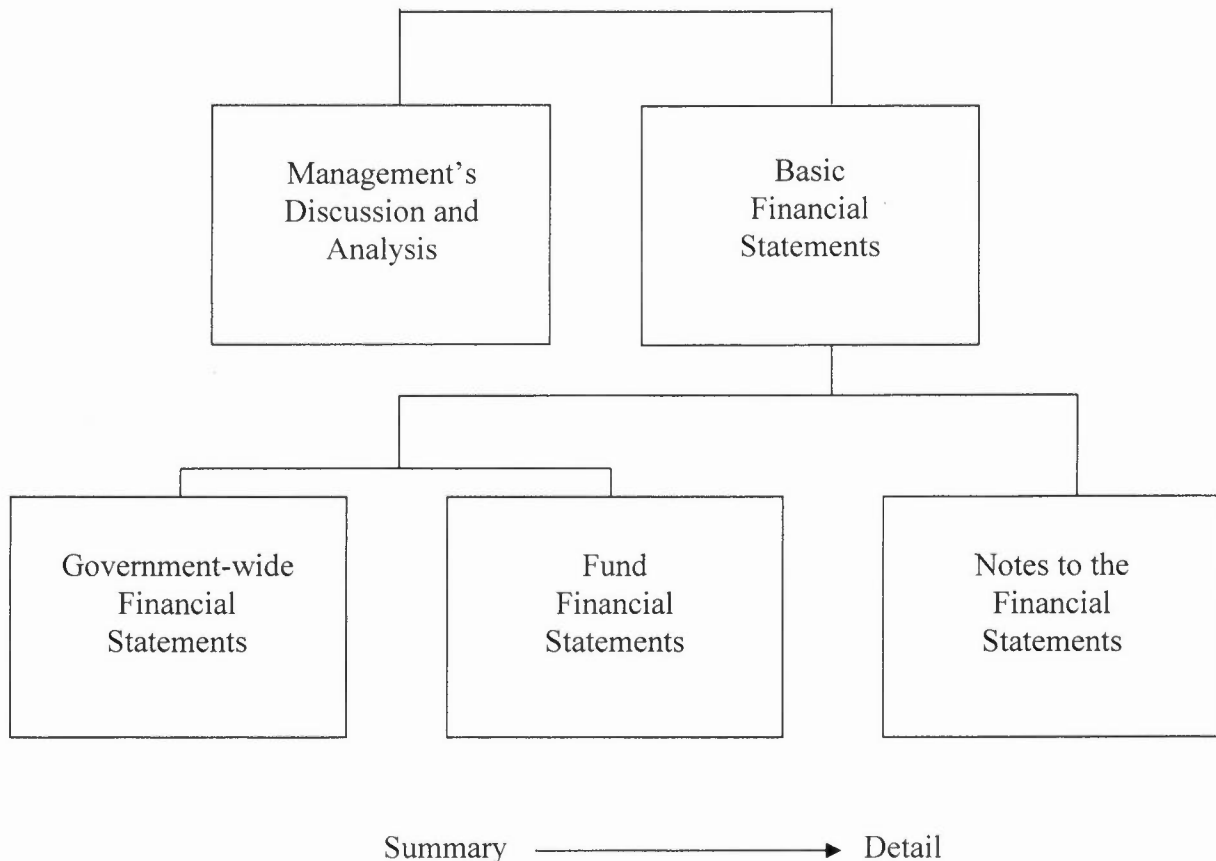
- The assets of the Town of Rosman exceeded its liabilities at the close of the fiscal year by \$6,036,567 (*net position*).
- The government's total net position decreased by \$50,005, due to decreases in both governmental activities and business type activities net position.
- As of the close of the current fiscal year, the Town of Rosman's governmental fund reported ending fund balance of \$555,986, an increase of \$20,369 in comparison with the prior year. Approximately 65.7 percent of this total amount, or \$365,471, is available for spending at the government's discretion (**unassigned fund balance**).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund of \$365,471 was 92.5 percent of total general fund expenditures for the fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Rosman'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 Rosman.

## Required Components of the Annual Financial Report

### Figure 1



### Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

## **Government-wide Financial Statements**

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as general administration, transportation, and parks and recreation. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Rosman.

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

## **Fund Financial Statements**

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

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

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

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

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

## Government-wide Financial Analysis

**Town of Rosman's Net Position**  
**Figure 2**

	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 570,156	\$ 555,548	\$ 392,055	\$ 315,277	\$ 962,211	\$ 870,825
Capital assets	655,513	692,218	4,725,524	4,851,753	5,381,037	5,543,971
Total assets	<u>1,225,669</u>	<u>1,247,766</u>	<u>5,117,579</u>	<u>5,167,030</u>	<u>6,343,248</u>	<u>6,414,796</u>
Long-term liabilities outstanding	219,192	228,976	4,166	4,703	223,358	233,679
Other liabilities	12,439	18,614	70,884	75,931	83,323	94,545
Total liabilities	<u>231,631</u>	<u>247,590</u>	<u>75,050</u>	<u>80,634</u>	<u>306,681</u>	<u>328,224</u>
Net position:						
Net investment in capital assets	439,182	466,507	4,725,524	4,851,753	5,164,706	5,318,260
Restricted	108,515	57,948			108,515	57,948
Unrestricted	446,341	475,721	317,005	234,643	763,346	710,364
Total net position	<u>\$ 994,038</u>	<u>\$ 1,000,176</u>	<u>\$ 5,042,529</u>	<u>\$ 5,086,396</u>	<u>\$ 6,036,567</u>	<u>\$ 6,086,572</u>

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 Rosman exceeded liabilities by \$6,036,567 as of June 30, 2019. The Town's net position decreased by \$50,005 for the fiscal year ended June 30, 2019. The largest portion of net position (85.6%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Rosman uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Rosman's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position \$108,515 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$763,346 is unrestricted.

One particular aspect of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.33%.

**Town of Rosman's Changes in Net Position**  
**Figure 3**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program revenues:						
Charges for services	\$ 133,754	\$ 107,398	\$ 442,307	\$ 428,852	\$ 576,061	\$ 536,250
Operating grants and contributions	104,671	64,566	31,800	12,070	136,471	76,636
Capital grants and contributions		5,780				5,780
General revenues:						
Property taxes	97,553	100,071			97,553	100,071
Other	80,002	77,508			80,002	77,508
Total revenues	<u>415,980</u>	<u>355,323</u>	<u>474,107</u>	<u>440,922</u>	<u>890,087</u>	<u>796,245</u>
Expenses:						
General government	298,697	220,324			298,697	220,324
Transportation	8,621	272			8,621	272
Environmental protection	40,085	34,634			40,085	34,634
Culture and recreation	68,179	58,573			68,179	58,573
Interest on long-term debt	6,536	6,653			6,536	6,653
Water and sewer			517,974	475,791	517,974	475,791
Total expenses	<u>422,118</u>	<u>320,456</u>	<u>517,974</u>	<u>475,791</u>	<u>940,092</u>	<u>796,247</u>
Increase (decrease) in net position	(6,138)	34,867	(43,867)	(34,869)	(50,005)	(2)
Net position, July 1	<u>1,000,176</u>	<u>965,309</u>	<u>5,086,396</u>	<u>5,121,265</u>	<u>6,086,572</u>	<u>6,086,574</u>
Net position, June 30	<u>\$ 994,038</u>	<u>\$1,000,176</u>	<u>\$5,042,529</u>	<u>\$5,086,396</u>	<u>\$6,036,567</u>	<u>\$6,086,572</u>

**Governmental activities.** Governmental activities decreased the Town's net position by \$6,138. Key elements of this increase are as follows:

- General government expenses were larger than the previous year, resulting in a decrease in net position.

**Business-type activities.** Business-type activities decreased the Town of Rosman's net assets by \$43,867. Key elements of this decrease are as follows:

- Revenues increased compared to the previous year and expenses also increased, resulting in a larger decrease in the business-type activities net assets than in the prior fiscal year.

## **Financial Analysis of the Town's Funds**

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

**Governmental Fund.** The focus of the Town of Rosman's governmental fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Rosman's financing requirements.

The general fund is the chief operating fund of the Town of Rosman. At the end of the current fiscal year, the Town of Rosman's fund balance available in the General Fund was \$365,471, while total fund balance reached \$555,986. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 92.5 percent of total General Fund expenditures, while total fund balance represents 140.7 percent of that same amount. The total fund balance at June 30, 2019 represents an increase of 3.8 percent from the prior year.

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

There were several reasons that the Town revised its budget during the year. The Town received some unrestricted and restricted intergovernmental funds that became available for distribution during the year. Expenditures were also adjusted due to the budgeting for additional revenue.

**Proprietary Fund.** The Town of Rosman's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$317,005. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

## **Capital Asset and Debt Administration**

**Capital assets.** The Town of Rosman's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$5,381,037. These assets include buildings, roads, land, machinery and equipment, park facilities, and vehicles. There were no significant demolitions, impairments, or disposals.

## Town of Rosman's Capital Assets

Figure 4

(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 289,365	\$ 289,365	\$ 3,500	\$ 3,500	\$ 292,865	\$ 292,865
Buildings and systems	269,781	278,470			269,781	278,470
Improvements other than buildings	76,822	84,745			76,822	84,745
Substations, lines and and related equipment			4,619,493	4,786,772	4,619,493	4,786,772
Machinery and equipment	<u>19,545</u>	<u>39,638</u>	<u>102,531</u>	<u>61,481</u>	<u>122,076</u>	<u>101,119</u>
Total	<u>\$ 655,513</u>	<u>\$ 692,218</u>	<u>\$ 4,725,524</u>	<u>\$ 4,851,753</u>	<u>\$ 5,381,037</u>	<u>\$ 5,543,971</u>

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

**Long-term Debt.** As of June 30, 2019, the Town had total installment debt outstanding of \$216,335. All of this debt is backed by the full faith and credit of the Town.

## Outstanding Debt

Figure 5

	Governmental Activities	
	2019	2018
Installment debt	<u>\$ 216,335</u>	<u>\$ 225,711</u>

Additional information regarding the Town of Rosman's long-term debt can be found in note 3.B.6 of the Basic Financial Statements.



## **Budget Highlights for the Fiscal Year Ending June 30, 2020**

**Governmental Activities:** Revenues budgeted for the governmental activities are increased in comparison to the revenues recognized in the 2018-2019 fiscal year. Sanitation fees are budgeted for an increase in comparison to amounts realized in the previous year. Other revenues are anticipated to be similar to amounts realized in the 2018-2019 fiscal year.

Budgeted expenditures in the General Fund are also increased in comparison to the 2018-2019 fiscal year due to the increase in budgeted revenues. The largest areas of expenditures for the Town are in salaries, contract labor, and maintenance and repairs.

**Business-type Activities:** The water and sewer budgeted revenues reflect some anticipated decreases due to changes in a contract with Transylvania County.

### **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 Mayor, Town of Rosman, P.O. Box 636, Rosman, NC 28772-0636, (828) 884-6859.

# **Basic Financial Statements**

**TOWN OF ROSMAN, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Current assets:			
Cash and cash equivalents	\$ 459,910	\$ 226,262	\$ 686,172
Taxes receivable (net)	1,251		1,251
Accrued interest receivable on taxes	480		480
Accounts receivable (net)	22,776	106,559	129,335
Due from other governments	52,871		52,871
Restricted cash and cash equivalents	32,868	59,234	92,102
Total current assets	<u>\$ 570,156</u>	<u>\$ 392,055</u>	<u>\$ 962,211</u>
Noncurrent assets:			
Capital assets:			
Land and other non-depreciable assets	\$ 289,365	\$ 3,500	\$ 292,865
Other capital assets, net of depreciation	366,148	4,722,024	5,088,172
Total capital assets	<u>\$ 655,513</u>	<u>\$ 4,725,524</u>	<u>\$ 5,381,037</u>
Total assets	<u><u>\$ 1,225,669</u></u>	<u><u>\$ 5,117,579</u></u>	<u><u>\$ 6,343,248</u></u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 12,439	\$ 11,650	\$ 24,089
Current portion of long-term liabilities	10,385	1,544	11,929
Payable from restricted assets		59,234	59,234
Total current liabilities	<u>\$ 22,824</u>	<u>\$ 72,428</u>	<u>\$ 95,252</u>
Long-term liabilities:			
Due in more than one year	<u>\$ 208,807</u>	<u>\$ 2,622</u>	<u>\$ 211,429</u>
Total liabilities	<u>\$ 231,631</u>	<u>\$ 75,050</u>	<u>\$ 306,681</u>
<b><u>Net Position</u></b>			
Net investment in capital assets	\$ 439,182	\$ 4,725,524	\$ 5,164,706
Restricted for:			
Stabilization by State Statute	75,647		75,647
Transportation	32,868		32,868
Unrestricted	446,341	317,005	763,346
Total net position	<u><u>\$ 994,038</u></u>	<u><u>\$ 5,042,529</u></u>	<u><u>\$ 6,036,567</u></u>

The Notes to the Financial Statements are an integral part of this statement.

TOWN OF ROSMAN, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary government:</b>			
Governmental Activities:			
General government	\$ 298,697	\$ 133,754	\$ 40,000
Transportation	8,621		14,210
Environmental protection	40,085		461
Culture and recreation	68,179		50,000
Interest on long-term debt	6,536		
Total governmental activities	<u>\$ 422,118</u>	<u>\$ 133,754</u>	<u>\$ 104,671</u>
Business-type activities:			
Water and Sewer	<u>\$ 517,974</u>	<u>\$ 442,307</u>	<u>\$ 31,800</u>
Total business-type activities	<u>\$ 517,974</u>	<u>\$ 442,307</u>	<u>\$ 31,800</u>
Total primary government	<u><u>\$ 940,092</u></u>	<u><u>\$ 576,061</u></u>	<u><u>\$ 136,471</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**TOWN OF ROSMAN, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

**Net (Expense) Revenue and Changes in Net Position**

<u><b>Functions/Programs</b></u>	<u><b>Governmental Activities</b></u>	<u><b>Business-type Activities</b></u>	<u><b>Total</b></u>
<b>Primary government:</b>			
Governmental Activities:			
General government	\$ (124,943)		\$ (124,943)
Transportation	5,589		5,589
Environmental protection	(39,624)		(39,624)
Culture and recreation	(18,179)		(18,179)
Interest on long-term debt	(6,536)		(6,536)
	<u>          </u>		<u>          </u>
Total governmental activities	\$ (183,693)		\$ (183,693)
Business-type activities:			
Water and Sewer		\$ (43,867)	\$ (43,867)
		<u>          </u>	<u>          </u>
Total business-type activities		\$ (43,867)	\$ (43,867)
		<u>          </u>	<u>          </u>
Total primary government	\$ (183,693)	\$ (43,867)	\$ (227,560)
	<u>          </u>	<u>          </u>	<u>          </u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	\$ 97,553		\$ 97,553
Grants and contributions not restricted			
to specific programs	64,521		64,521
Unrestricted investment earnings	1,905		1,905
Miscellaneous	13,576		13,576
	<u>          </u>		<u>          </u>
Total general revenues	\$ 177,555		\$ 177,555
	<u>          </u>		<u>          </u>
Change in net position	\$ (6,138)	\$ (43,867)	\$ (50,005)
Net position, beginning	1,000,176	5,086,396	6,086,572
	<u>          </u>	<u>          </u>	<u>          </u>
Net position, ending	\$ 994,038	\$ 5,042,529	\$ 6,036,567
	<u>          </u>	<u>          </u>	<u>          </u>

The Notes to the Financial Statements are an integral part of this statement.

**TOWN OF ROSMAN, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2019**

<b>Assets</b>	<b>General</b>
Cash and cash equivalents	\$ 459,910
Restricted cash and cash equivalents	32,868
Receivables (net):	
Taxes	1,251
Accounts	22,776
Due from other governments	<u>52,871</u>
Total assets	<u><u>\$ 569,676</u></u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	<u>\$ 12,439</u>
Total liabilities	<u>\$ 12,439</u>
<b>Deferred Inflows of Resources</b>	
Property taxes receivable	<u>\$ 1,251</u>
Total deferred inflows of resources	<u>\$ 1,251</u>
<b>Fund Balances</b>	
Restricted	
Stabilization by State Statute	\$ 75,647
Transportation	32,868
Assigned	
Subsequent year's expenditures	82,000
Unassigned	<u>365,471</u>
Total fund balances	<u><u>\$ 555,986</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 569,676</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**TOWN OF ROSMAN, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2019**

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total Fund Balance, Governmental Fund		\$ 555,986
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Gross capital assets at historical cost	\$ 981,573	
Accumulated depreciation	<u>(326,060)</u>	655,513
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and, therefore are inflows of resources in the funds.		480
Earned revenues considered deferred inflows of resources in the fund statements.		1,251
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)		(216,335)
Other long-term liabilities (compensated absences) are not due and payable in the current period and therefore are not reported in the funds.		<u>(2,857)</u>
Net position of governmental activities		<u><u>\$ 994,038</u></u>

**TOWN OF ROSMAN, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Major Fund</u> <u>General Fund</u>
<b>Revenues</b>	
Ad valorem taxes	\$ 97,139
Unrestricted intergovernmental	64,521
Restricted intergovernmental	104,671
Sales and services	133,754
Investment earnings	1,905
Miscellaneous	<u>13,616</u>
Total revenues	<u>\$ 415,606</u>
<b>Expenditures</b>	
Current:	
General government	\$ 257,479
Transportation	8,576
Environmental protection	40,085
Culture and recreation	68,179
Debt service:	
Principal	9,376
Interest and other charges	6,536
Capital outlay	<u>5,006</u>
Total expenditures	<u>\$ 395,237</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 20,369</u>
Net change in fund balance	\$ 20,369
Fund balance, beginning	<u>535,617</u>
Fund balance, ending	<u><u>\$ 555,986</u></u>

The Notes to the Financial Statements are an integral part of this statement.



**TOWN OF ROSMAN, 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	\$ 20,369
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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	\$ 5,006	
Depreciation expense for governmental assets	<u>(41,671)</u>	(36,665)

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

Change in unavailable revenue for tax revenues	414
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	9,376
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	408	
Loss on disposal of assets	<u>(40)</u>	

Total changes in net position of governmental activities	<u><u>\$ (6,138)</u></u>
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**TOWN OF ROSMAN, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL -- GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund			Variance with
	Original	Final	Actual Amounts	Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 92,000	\$ 94,400	\$ 97,139	\$ 2,739
Unrestricted intergovernmental	31,500	36,850	64,521	27,671
Restricted intergovernmental	42,850	45,500	104,671	59,171
Sales and services	182,000	184,500	133,754	(50,746)
Investment earnings	1,510	1,510	1,905	395
Miscellaneous			13,616	13,616
Total revenues	<u>\$ 349,860</u>	<u>\$ 362,760</u>	<u>\$ 415,606</u>	<u>\$ 52,846</u>
Expenditures:				
Current:				
General government	\$ 235,284	\$ 245,684	\$ 259,479	\$ (13,795)
Transportation	14,010	14,010	8,576	5,434
Environmental protection	40,000	40,000	40,085	(85)
Culture and recreation	60,000	70,000	71,185	(1,185)
Debt service:				
Principal retirement			9,376	(9,376)
Interest and other charges			6,536	(6,536)
Total expenditures	<u>\$ 349,294</u>	<u>\$ 369,694</u>	<u>\$ 395,237</u>	<u>\$ (25,543)</u>
Revenues over (under) expenditures	<u>\$ 566</u>	<u>\$ (6,934)</u>	<u>\$ 20,369</u>	<u>\$ 27,303</u>
Fund balance appropriated	<u>\$ (566)</u>	<u>\$ 6,934</u>		<u>\$ (6,934)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	\$ 20,369	<u>\$ 20,369</u>
Fund balance, beginning			535,617	
Fund balance, ending			<u>\$ 555,986</u>	

The Notes to the Financial Statement are an integral part of this statement.

**TOWN OF ROSMAN, NORTH CAROLINA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2019**

	<u>Major Fund</u> <u>Water and</u> <u>Sewer Fund</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 226,262
Accounts receivable (net)	106,559
Restricted cash and cash equivalents	<u>59,234</u>
Total current assets	<u>\$ 392,055</u>
Noncurrent assets:	
Capital assets:	
Land and other non-depreciable assets	\$ 3,500
Other capital assets, net of depreciation	<u>4,722,024</u>
Capital assets	<u>\$ 4,725,524</u>
Total noncurrent assets	<u>\$ 4,725,524</u>
Total assets	<u><u>\$ 5,117,579</u></u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 11,650
Compensated absences - current	1,544
Liabilities payable from restricted assets:	
Customer deposits	<u>59,234</u>
Total current liabilities	<u>\$ 72,428</u>
Noncurrent liabilities:	
Compensated absences	<u>\$ 2,622</u>
Total liabilities	<u>\$ 75,050</u>
<b>Net position:</b>	
Net investment in capital assets	\$ 4,725,524
Unrestricted	<u>317,005</u>
Total net position	<u><u>\$ 5,042,529</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**TOWN OF ROSMAN, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION -- PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Major Fund Water and Sewer Fund</u>
Operating Revenues:	
Charges for services	\$ 442,307
Other operating revenues	<u>31,800</u>
Total operating revenues	<u>\$ 474,107</u>
Operating Expenses:	
Administration	\$ 330,587
Depreciation	<u>187,387</u>
Total operating expenses	<u>\$ 517,974</u>
Operating income (loss)	<u>\$ (43,867)</u>
Change in net position	\$ (43,867)
Total net position, beginning	<u>5,086,396</u>
Total net position, ending	<u><u>\$ 5,042,529</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**TOWN OF ROSMAN, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Major Fund Water and Sewer Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 439,203
Cash paid for goods and services	(252,106)
Cash paid to or on behalf of employees for services	(85,069)
Customer deposits received (net)	1,004
Other operating revenues	<u>31,800</u>
Net cash provided by operating activities	<u>\$ 134,832</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	\$ (61,239)
Book value of capital assets disposed of	<u>81</u>
Net cash (used) by capital and related financing activities	<u>\$ (61,158)</u>
Net increase in cash and cash equivalents	\$ 73,674
Cash and cash equivalents, beginning	<u>211,822</u>
Cash and cash equivalents, ending	<u><u>\$ 285,496</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**TOWN OF ROSMAN, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u><b>Major Fund Water and Sewer Fund</b></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (43,867)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	\$ 187,387
Changes in assets and liabilities:	
(Increase) in accounts receivable	(3,104)
(Decrease) in accounts payable	(6,051)
(Decrease) in compensated absences	(537)
Increase in customer deposits	<u>1,004</u>
Total adjustments	<u>\$ 178,699</u>
Net cash provided by operating activities	<u><u>\$ 134,832</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The Town of Rosman is a municipal corporation that is governed by an elected mayor and a five-member board of aldermen. There are no other entities for which the Town is accountable and which should be included in the accompanying financial statements.

**B. Basis of Presentation**

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

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

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

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

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies (continued)**

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 administration, street maintenance and construction, and sanitation services.

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.

**C. Measurement Focus and Basis of Accounting**

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

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include 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 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's enterprise fund 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.



**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies (continued)**

*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. Issuance 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 ninety 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 beer and wine 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 Rosman because the tax is levied by Transylvania 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 general revenues.

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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 Water and Sewer Enterprise Fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted

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

**1. Deposits and Investments**

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The Town does not invest in the NCCMT.

**2. Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

**3. Restricted Assets**

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

Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies (continued)**

3. Restricted Assets (cont'd)

Town of Rosman Restricted Cash

Governmental Activities			
General Fund	Transportation	\$	32,868
Business-type Activities			
Water and Sewer Fund	Customer deposits		<u>59,234</u>
Total Restricted Cash		\$	<u><u>92,102</u></u>

4. Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2018.

5. Allowances for Doubtful Accounts

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

6. Inventory

The Town's inventory of expendable supplies is not considered material, and is therefore not recorded.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$1,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**TOWN OF ROSMAN, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies (continued)**

7. Capital Assets (continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Substations, lines and related equipment	33
Improvements	15
Vehicles	5
Furniture and equipment	10
Computer equipment	3

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has no items that meet this criterion for the year under audit. 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 one item that meets the criterion for this category – property taxes receivable.

9. Long-Term Obligations

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

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

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies (continued)**

10. Compensated Absences

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

The Town's sick leave policy provides for five days of sick leave per year. Sick leave does not accumulate and does not vest. Since the Town does not have any obligation for sick leave until it is actually taken, no accrual for sick leave has been made.

g. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies (continued)**

g. Net Position/Fund Balances (continued)

Fund Balances (continued)

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

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

Assigned Fund Balance – portion of fund balance that the Town of Rosman intends to use for specific purposes.

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

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1 – Summary of Significant Accounting Policies (continued)**

g. Net Position/Fund Balances (continued)

Fund Balances (continued)

The Town of Rosman has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Town Clerk-Treasurer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-town funds, town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Town Clerk-Treasurer has the authority to deviate from this policy if it is in the best interest of the Town.

**Note 2 – Stewardship, Compliance, and Accountability**

A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2019, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for general government activities by \$13,795, by \$85 in Environment Protection, by \$1,185 in Culture and Recreation, and by \$15,912 in Debt Service. Management and the Board will more closely review the budget reports to ensure compliance in future years.

**Note 3 – Detail Notes on All Funds**

A. Assets

1. Deposits

All of the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 3 – Detail Notes on All Funds (continued)**

A. Assets (continued)

1. Deposits (continued)

standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating deposits are properly secured.

At June 30, 2019, the Town's deposits had a carrying amount of \$778,153, and a bank balance of \$793,834. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2019, the Town's petty cash fund totaled \$121.

2. Receivables and Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2019 are net of the following allowances for doubtful accounts:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due From Other Governments</u>
Governmental Activities:			
General	\$ 23,975	\$ 1,560	\$ 52,871
Allowance for doubtful accounts	<u>(1,199)</u>	<u>(309)</u>	<u>          </u>
Total Governmental Activities	<u><u>\$ 22,776</u></u>	<u><u>\$ 1,251</u></u>	<u><u>\$ 52,871</u></u>
Business-type Activities:			
Water and sewer	\$ 112,167		
Allowance for doubtful accounts	<u>(5,608)</u>		
	<u><u>\$ 106,559</u></u>		

The Due from Other Governments amount consists of amounts due from sales and use hold harmless funds, franchise tax distributions, and grants receivable.



**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 3 – Detail Notes on All Funds – (continued)**

3. Capital Assets

**Primary Government**

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

	Balance <u>June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2019</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 289,365			\$ 289,365
<b>Capital assets being depreciated:</b>				
Buildings	\$ 342,736			\$ 342,736
Vehicles	188,204			188,204
Equipment	39,776	\$ 5,006	\$ 400	44,382
Computers	1,626			1,626
Software	333			333
Improvements	114,927			114,927
Total capital assets being depreciated	\$ 687,602	\$ 5,006	\$ 400	\$ 692,208
<b>Less accumulated depreciation for:</b>				
Buildings	\$ 64,266	\$ 8,689		\$ 72,955
Vehicles	159,091	20,553		179,644
Equipment	29,384	4,506	\$ 360	33,530
Computers	1,626			1,626
Software	200			200
Improvements	30,182	7,923		38,105
Total accumulated depreciation	\$ 284,749	\$ 41,671	\$ 360	\$ 326,060
Total capital assets being depreciated, net	\$ 402,853			\$ 366,148
<b>Governmental activity capital assets, net</b>	\$ 692,218			\$ 655,513

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

General Government	\$ 41,626
Transportation	45
Total depreciation expense	\$ 41,671

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 3 – Detail Notes on All Funds – (continued)**

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
<b>Business-type activities:</b>				
<b>Water &amp; Sewer Fund:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 3,500			\$ 3,500
<b>Capital assets being depreciated:</b>				
Plant and distribution system	\$ 6,864,610			\$ 6,864,610
Vehicles	32,363			32,363
Computers	1,662			1,662
Furniture and maintenance equipment	111,139	\$ 61,239	\$ 800	171,578
Total capital assets being depreciated	\$ 7,009,774	\$ 61,239	\$ 800	\$ 7,070,213
<b>Less accumulated depreciation for:</b>				
Plant and distribution system	\$ 2,077,838	\$ 167,279		\$ 2,245,117
Vehicles	17,748	3,100		20,848
Computers	1,506			1,506
Furniture and maintenance equipment	64,429	17,008	\$ 719	80,718
Total accumulated depreciation	\$ 2,161,521	\$ 187,387	\$ 719	\$ 2,348,189
Total capital assets being depreciated, net	\$ 4,848,253			\$ 4,722,024
<b>Business-type activity capital assets, net</b>	<u>\$ 4,851,753</u>			<u>\$ 4,725,524</u>

**B. Liabilities**

**1. Other Employment Benefits**

The Town provides group term life insurance to permanent, full-time employees in the amount of double the employee's salary prior to his/her death through a commercial carrier at no cost to employees. Group term life insurance benefits in excess of \$50,000 are considered taxable to the employee as a fringe benefit.

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 3 – Detail Notes on All Funds – (continued)**

2. Post Employment Benefits

The Town does not provide any post employment benefits.

3. Deferred Inflows of Resources

Deferred inflows of resources reported on the General Fund Balance Sheet at year-end is comprised of the following:

Property taxes receivable, net	<u>\$ 1,251</u>
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4. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, and workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the North Carolina 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 does not provide a comprehensive major medical plan for its employees.

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

The Town has elected not to carry flood insurance due to the limited likelihood of Town owned property sustaining significant flood damage.

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 Town Clerk-Treasurer is individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 3 – Detail Notes on All Funds – (continued)**

5. Claims, Judgements and Contingent Liabilities

At June 30, 2019, the Town was unaware of any pending or threatened litigation, claims or contingent liabilities which could have a material adverse effect on the Town's financial position.

6. Long-Term Obligations

a. Installment Purchase

In April 2016, the Town entered into a refinancing agreement with a local financial institution in the amount of \$228,954, to restructure an agreement that had originally been entered into in August 2013 to acquire equipment and 1.4 acres of land and a building. The financing agreement requires principal payments beginning in May 2016 at an interest rate of 2.99 percent, maturing April 2021, at which time all accrued interest and unpaid principal will be due.

In December 2016, the Town entered into a financing agreement with the United States Department of Agriculture Rural Development in the amount of \$16,000, to improve Champion Park. The financing agreement requires principal payments beginning in December 2017 at an interest rate of 2.375 percent, maturing December 2056.

Annual debt service payments on the installment purchase obligations as of June 30, 2019, are as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 9,659	\$ 6,249	\$ 15,908
2021	191,824	5,045	196,869
2022	274	350	624
2023	281	343	624
2024	288	336	624
Next five years	1,544	1,576	3,120
Thereafter	12,465	4,515	16,980
Totals	<u>\$ 216,335</u>	<u>\$ 18,414</u>	<u>\$ 234,749</u>

At June 30, 2019, the Town had a legal debt margin of \$1,765,299.

**TOWN OF ROSMAN, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 3 – Detail Notes on All Funds – (continued)**

c. Changes in Long-Term Liabilities

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>	<u>Current Portion of Balance</u>
Governmental activities:					
Installment purchases	\$ 225,711		\$ 9,376	\$ 216,335	\$ 9,659
Compensated absences	3,265	\$ 1,094	1,502	2,857	726
Governmental activity					
long-term liabilities	<u>\$ 228,976</u>	<u>\$ 1,094</u>	<u>\$ 10,878</u>	<u>\$ 219,192</u>	<u>\$ 10,385</u>
Business-type activities:					
Compensated absences	\$ 4,703	\$ 2,054	\$ 2,591	\$ 4,166	\$ 1,544
Business-type activity					
long-term liabilities	<u>\$ 4,703</u>	<u>\$ 2,054</u>	<u>\$ 2,591</u>	<u>\$ 4,166</u>	<u>\$ 1,544</u>

7. 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	\$ 555,986
Less:	
Stabilization by State Statute	75,647
Transportation - Powell Bill	32,868
Remaining Fund Balance	<u>\$ 447,471</u>

**Note 4 – Infrastructure**

No infrastructure has been capitalized for the Town of Rosman. The Town is responsible for 1.29 miles of roadway, most of which is unpaved. There are no bridges and a minimal amount of sidewalks that are the responsibility of the Town. Therefore, as of the close of the fiscal year, infrastructure assets were considered immaterial and no capitalization of these infrastructure assets is presented in the financial statements.

**Note 5 – Subsequent Events**

Subsequent events have been evaluated through January 29, 2020, which is the date the financial statements were available to be issued.

# Major Governmental Fund

## **General Fund**

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

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**TOWN OF ROSMAN, NORTH CAROLINA** **PAGE 1 OF 3**  
**GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Ad valorem taxes:</b>			
Taxes		\$ 96,403	
Penalties and interest		<u>736</u>	
Total	<u>\$ 94,400</u>	<u>\$ 97,139</u>	<u>\$ 2,739</u>
<b>Unrestricted intergovernmental:</b>			
Local option sales taxes		\$ 31,561	
Telecommunications sales tax		4,544	
Utilities sales tax		22,498	
Piped natural gas sales tax		694	
Video franchise fee		2,541	
Beer and wine tax		<u>2,683</u>	
Total	<u>\$ 36,850</u>	<u>\$ 64,521</u>	<u>\$ 27,671</u>
<b>Restricted intergovernmental:</b>			
Powell Bill allocation		\$ 14,210	
Solid waste disposal tax		461	
Transylvania County		50,000	
US Department of Agriculture		<u>40,000</u>	
Total	<u>\$ 45,500</u>	<u>\$ 104,671</u>	<u>\$ 59,171</u>
<b>Sales and services:</b>			
Recreation fees		\$ 13,711	
Sanitation fees		<u>120,043</u>	
Total	<u>\$ 184,500</u>	<u>\$ 133,754</u>	<u>\$ (50,746)</u>
<b>Investment earnings</b>	<u>\$ 1,510</u>	<u>\$ 1,905</u>	<u>\$ 395</u>
<b>Miscellaneous</b>			
Other income		<u>\$ 13,616</u>	<u>\$ 13,616</u>
<b>Total revenues</b>	<u>\$ 362,760</u>	<u>\$ 415,606</u>	<u>\$ 52,846</u>

**TOWN OF ROSMAN, NORTH CAROLINA** **PAGE 2 OF 3**  
**GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>			
<b>General government:</b>			
Salaries and employee benefits		\$ 4,825	
<b>Administration:</b>			
Advertising		\$ 200	
Bank charges		50	
Capital outlay		2,000	
Contract services		17,619	
Contributions		2,299	
Dues and subscriptions		1,772	
Employee benefits		4,323	
Equipment rental		3,434	
Insurance		18,883	
Maintenance and repairs		30,658	
Office supplies and postage		1,877	
Outside services		4,800	
Payroll taxes		14,974	
Professional fees		9,417	
Safety program and equipment		25	
Salaries		78,225	
Special events		6,528	
Supplies		27,269	
Tags, licenses, and permits		60	
Tax collection fees		2,841	
Telephone		4,502	
Truck expense		10,113	
Utilities		12,785	
Total		\$ 254,654	
Total general government	\$ 245,684	\$ 259,479	\$ (13,795)
<b>Transportation:</b>			
Supplies		\$ 2,536	
Street maintenance		6,040	
Total transportation	\$ 14,010	\$ 8,576	\$ 5,434
<b>Environmental protection:</b>			
Landfill tipping fees	\$ 40,000	\$ 40,085	\$ (85)



**TOWN OF ROSMAN, NORTH CAROLINA** **PAGE 3 OF 3**  
**GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Culture and recreation:</b>			
Capital outlay		\$ 3,006	
Contract services		3,120	
Maintenance and repairs		17,168	
Office supplies and postage		280	
Penalties and fines		5,477	
Professional fees		559	
Salaries		21,624	
Supplies		10,866	
Tags, licenses, and permits		250	
Telephone		575	
Training		250	
Utilities		<u>8,010</u>	
Total culture and recreation	<u>\$ 70,000</u>	<u>\$ 71,185</u>	<u>\$ (1,185)</u>
<b>Debt Service:</b>			
Principal retirement		\$ 9,376	
Interest and other charges		<u>6,536</u>	
Total debt service		<u>\$ 15,912</u>	<u>\$ (15,912)</u>
<b>Total expenditures</b>	<u>\$ 369,694</u>	<u>\$ 395,237</u>	<u>\$ (25,543)</u>
<b>Revenues over (under) expenditures</b>	\$ (6,934)	\$ 20,369	\$ 27,303
<b>Fund balance appropriated</b>	<u>6,934</u>		<u>(6,934)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 20,369</u>	<u>\$ 20,369</u>
 Fund balance, beginning		<u>535,617</u>	
Fund balance, ending		<u>\$ 555,986</u>	

# Major Enterprise Funds

## **Water and Sewer Fund**

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This fund is used to account for water and sewer operations. It is financed primarily through water and sewer fees.

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**TOWN OF ROSMAN, NORTH CAROLINA**  
**WATER AND SEWER FUND -- SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Water sales:			
Charges for services	<u>\$ 129,900</u>	<u>\$ 134,084</u>	<u>\$ 4,184</u>
Sewer sales:			
Charges for services	<u>\$ 288,299</u>	<u>\$ 308,223</u>	<u>\$ 19,924</u>
Other operating revenues	<u>\$ 30,000</u>	<u>\$ 31,800</u>	<u>\$ 1,800</u>
<b>Total revenues</b>	<u>\$ 448,199</u>	<u>\$ 474,107</u>	<u>\$ 25,908</u>
<b>Expenditures:</b>			
Water and sewer administration:			
Advertising		\$ 97	
Capital outlay		61,239	
Contract services		69,950	
Dues and subscriptions		280	
Equipment rental		12,721	
Landfill charges		383	
Maintenance and repairs		47,570	
Office supplies and postage		3,430	
Outside services		2,915	
Penalties and fines		10,525	
Professional fees		11,933	
Safety program and equipment		50	
Salaries and employee benefits		85,069	
Supplies		17,235	
Tags and licenses		2,450	
Telephone		5,588	
Testing		4,000	
Utilities		55,038	
Vehicle expense		<u>1,890</u>	
<b>Total operating expenditures</b>	<u>\$ 447,230</u>	<u>\$ 392,363</u>	<u>\$ 54,867</u>

**TOWN OF ROSMAN, NORTH CAROLINA**  
**WATER AND SEWER FUND -- SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Total expenditures	\$ 447,230	\$ 392,363	\$ 54,867
Revenues over expenditures	\$ 969	\$ 81,744	\$ 80,775
Fund balance appropriated	<u>(969)</u>	<u>          </u>	<u>969</u>
Revenues and fund balance appropriated over expenditures	<u>\$ -</u>	\$ 81,744	<u>\$ 81,744</u>
 <b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Reconciling items:			
Capital outlay		61,239	
Decrease in compensated absences		537	
Depreciation		<u>(187,387)</u>	
Change in net position		<u>\$ (43,867)</u>	

## **Other Schedules**

**TOWN OF ROSMAN, 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		\$ 97,092	\$ 96,443	\$ 649
2017-2018	\$ 55			55
2016-2017	-			-
2015-2016	163			163
2014-2015	12			12
2013-2014	26			26
2012-2013	156		6	150
2011-2012	119			119
2010-2011	270			270
2009-2010	116			116
2008-2009	154		154	-
Totals	<u>\$ 1,071</u>	<u>\$ 97,092</u>	<u>\$ 96,603</u>	<u>\$ 1,560</u>

Less allowance for uncollectible  
accounts:

General fund 309

Ad valorem taxes receivable - net \$ 1,251

Reconciliation to revenues:

Ad valorem taxes - General Fund \$ 97,139

Reconciling item:

Penalties and interest (736)

Discounts allowed 46

Taxes written off 154

Total Collections and Credits \$ 96,603

**TOWN OF ROSMAN, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**JUNE 30, 2019**

	<u>Total Levy</u>				
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxed at current rate	\$ 22,034,875	0.44	\$ 96,954	\$ 86,478	\$ 10,476
Discoveries:					
Current year	243,409	0.44	1,071	1,071	
Releases	<u>(212,045)</u>	0.44	<u>(933)</u>	<u>(933)</u>	
Total property valuation	<u><u>\$ 22,066,239</u></u>				
Net levy			\$ 97,092	\$ 86,616	\$ 10,476
Unpaid (by taxpayer) at June 30, 2019			<u>649</u>	<u>649</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 96,443</u></u>	<u><u>\$ 85,967</u></u>	<u><u>\$ 10,476</u></u>
Current levy collection percentage			<u><u>99.33%</u></u>	<u><u>99.25%</u></u>	<u><u>100.00%</u></u>