

TOWN OF SEDALIA

Sedalia, North Carolina

Financial Statements

June 30, 2019

TOWN OF SEDALIA

Sedalia, North Carolina

Howard J. Morgan, Mayor

Valerie M. Jones, Mayor Pro-Tem

Town Council

Ophelia F. Jones

Clarence A. Meachem

Shinita F. Wrenwick, Finance Director

Town Clerk

Camela P. Dungee

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain 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 design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinion.

Opinions

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund of the Town of Sedalia, North Carolina as of June 30, 2018, 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 conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management's Discussion and Analysis and the required supplementary information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, I did not audit this information and express no opinion thereon because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

My audit was conducted for the purpose of forming an opinion on the basic financial statements of the Town of Sedalia, North Carolina, taken as a whole. The combining and individual fund financial statements, budgetary schedules, and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Bobby J. Massey, CPA

Certified Public Accountant

January 6, 2021
Burlington, NC

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the Town of Sedalia exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$640,393 (net position).

The current assets of the Town of Sedalia, which include cash and cash equivalents, receivables, funds due from other sources and prepaid insurance, totaled \$492,969

Total cash and cash equivalents were \$450,579.

The Town's investment in capital assets, which consists principally of the Town Hall building and land, was \$158,380 at June 30, 2019.

As of the close of the current fiscal year, the Town of Sedalia's governmental funds reported combined ending fund balance of \$446,508 with a net change of \$43,070 in fund balance. Approximately 23.48 percent of this total, or \$104,836 is non-spendable or restricted.

At the end of the current fiscal year, unassigned fund balance for the General fund was \$341,672 or 148.06 percent of total general fund expenditures for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

The first two statements 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 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 two parts to the Fund Financial Statements: 1) the governmental funds statements and 2) the proprietary fund statements. The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The two government-wide statements report the Town of Sedalia'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 the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town of Sedalia's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town of Sedalia's basic services such as public safety and general administration. Property taxes and sales taxes finance most of these activities. The business-type activities are those that municipalities generally charge fees for. In the case of the Town of Sedalia its purpose is to account for funds that are restricted as to use for water and sewer purposes.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the Town of Sedalia'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 Sedalia, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Sedalia 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 Sedalia adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town and the management of the Town about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities.

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

reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current & other assets	\$ 477,408	\$ 434,032	\$ 15,561	\$ 15,413	\$ 492,969	\$ 449,445
Capital assets	158,380	161,357	-	-	158,380	161,357
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows	<u>\$ 635,788</u>	<u>\$ 595,389</u>	<u>\$ 15,561</u>	<u>\$ 15,413</u>	<u>\$ 651,349</u>	<u>\$ 610,802</u>
Long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	10,956	8,744	-	-	10,956	8,744
Deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows	<u>\$ 10,956</u>	<u>\$ 8,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,956</u>	<u>\$ 8,744</u>
Net position:						
Net investment in capital assets	\$ 158,380	\$ 161,357	\$ -	\$ -	\$ 158,380	\$ 161,357
Restricted	18,607	17,408	-	-	18,607	17,408
Unrestricted	<u>447,845</u>	<u>407,880</u>	<u>15,561</u>	<u>15,413</u>	<u>463,406</u>	<u>423,293</u>
Total net position	<u>\$ 624,832</u>	<u>\$ 586,645</u>	<u>\$ 15,561</u>	<u>\$ 15,413</u>	<u>\$ 640,393</u>	<u>\$ 602,058</u>
Total liabilities & net position	<u>\$ 635,788</u>	<u>\$ 595,389</u>	<u>\$ 15,561</u>	<u>\$ 15,413</u>	<u>\$ 651,349</u>	<u>\$ 610,802</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and the deferred outflows of the Town of Sedalia exceeded liabilities and deferred inflows by \$640,393 as of June 30, 2019.

The largest portion is unrestricted as to use, and consists largely of cash and cash equivalents, which can be used to fund additional services to the residents of the Town. The remainder of net position reflects the Town's net investment in capital assets (e.g. land, buildings, and furniture and equipment), less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Sedalia'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 liquidated to pay these liabilities.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 400	\$ 70	\$ -	\$ -	\$ 400	\$ 70
Operating grants & contributions	-	-	-	-	-	-
General revenues:						
Property taxes	145,926	144,980	-	-	145,926	144,980
Sales & other taxes	46,118	44,087	-	-	46,118	44,087
Intergovernmental revenues	71,819	46,444	-	-	71,819	46,444
Investment earnings	3,078	2,336	148	113	3,226	2,449
Miscellaneous income	5,556	4,119	-	-	5,556	4,119
Total revenues	<u>\$ 272,897</u>	<u>\$ 242,036</u>	<u>\$ 148</u>	<u>\$ 113</u>	<u>\$ 273,045</u>	<u>\$ 242,149</u>
Expenditures:						
General government	\$ 152,083	\$ 116,703	\$ -	\$ -	\$ 152,083	\$ 116,703
Streets & highways	20,337	19,982	-	-	20,337	19,982
Public safety	13,344	7,664	-	-	13,344	7,664
Environmental protection	47,212	50,372	-	-	47,212	50,372
Cultural & recreation	1,735	13,012	-	-	1,735	13,012
Debt service	-	-	-	-	-	-
Total expenditures	<u>\$ 234,711</u>	<u>\$ 207,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,711</u>	<u>\$ 207,733</u>
Increase(decrease) in net position	\$ 38,186	\$ 34,303	\$ 148	\$ 113	\$ 38,334	\$ 34,416
Net position, July 1	<u>586,646</u>	<u>552,343</u>	<u>15,413</u>	<u>15,300</u>	<u>602,059</u>	<u>567,643</u>
Net position, June 30	<u>\$ 624,832</u>	<u>\$ 586,646</u>	<u>\$ 15,561</u>	<u>\$ 15,413</u>	<u>\$ 640,393</u>	<u>\$ 602,059</u>

Governmental Activities - Governmental activities resulted in an increase of \$38,186 in the Town of Sedalia's net position. The total amount of governmental net position at the end of June 30, 2019 is \$624,832 which is up from \$586,646 at June 30, 2018.

Business-type Activities – Business-type activities increased the Town of Sedalia's net position by \$148. The total amount of business-type net position at June 30, 2019 is \$15,561.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

The general fund is the chief operating fund of the Town of Sedalia. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$341,672, while total fund balance was \$446,508.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The Town of Sedalia's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$158,380 (net of accumulated depreciation). These assets include buildings, land, and furniture & equipment.

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

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Land	\$ 18,926		\$ 18,926
Buildings	69,545		69,545
Furniture, fixtures, & Equipment	8,708		8,708
Infrastructure	61,201		61,201
Total	<u>\$ 158,380</u>		<u>\$ 158,380</u>

There were additions of \$10,754 during the year and no disposals.

Long-term debt

At June 30, 2019, the Town of Sedalia has no long-term debt. North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Sedalia is \$4,245,103 with the Town's total assessed value of property value, inclusive of homestead exemptions, is \$53,063,790. The Town did not issue any bonds during the fiscal year 2018-2019.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The continued commercial and residential growth in the eastern part of Guilford County which includes the Town of Sedalia.
- The Town continues to receive Powell Bill funds which will provide the funding for additional street improvements.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Governmental Activities – General Fund

Property taxes and local sales tax proceeds are expected to lead the increase in budgeted revenue for the fiscal year ending June 30, 2020. The Town will use these increases in revenues to finance programs currently in place.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Town of Sedalia's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Director of Finance, Town of Sedalia, Post Office Box C, Sedalia, NC 27342.

BASIC FINANCIAL STATEMENTS

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

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
ASSETS			
Current Assets:			
Cash & cash equivalents	\$ 352,628	\$ 15,561	\$ 368,189
Accrued investment income	-	-	-
Receivables (net):			
Taxes	19,944	-	19,944
Accounts	4,112	-	4,112
Others	-	-	-
Due from other funds	-	-	-
Due from other governments	14,495	-	14,495
Prepaid dues & subscriptions	3,839	-	3,839
Restricted cash and cash equivalents	82,390	-	82,390
Total current assets	<u>\$ 477,408</u>	<u>\$ 15,561</u>	<u>\$ 492,969</u>
Non-current assets:			
Capital assets:			
Land, improvements & construction in progress	\$ 18,926	\$ -	\$ 18,926
Other capital assets, net of accumulated depreciation	139,454	-	139,454
Total capital assets	<u>\$ 158,380</u>	<u>\$ -</u>	<u>\$ 158,380</u>
Total assets	<u>\$ 635,788</u>	<u>\$ 15,561</u>	<u>\$ 651,349</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 6,295	\$ -	\$ 6,295
Other accrued expenses	4,661	-	4,661
Current portion of long-term debt	-	-	-
Due to other funds	-	-	-
Total current liabilities	<u>\$ 10,956</u>	<u>\$ -</u>	<u>\$ 10,956</u>
Long-term Liabilities:			
Due in more than one year	-	-	-
Total liabilities	<u>\$ 10,956</u>	<u>\$ -</u>	<u>\$ 10,956</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 158,380	\$ -	\$ 158,380
Restricted for:			
Stabilization by State Statute	18,607	-	18,607
Restricted net position for streets	82,390	-	82,390
Unrestricted	365,455	15,561	381,016
Total net position	<u>\$ 624,832</u>	<u>\$ 15,561</u>	<u>\$ 640,393</u>

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Government Activities:						
General government	\$ 152,083	\$ (400)	\$ -	(151,683)	\$ -	\$ (151,683)
Streets & highways	20,337	-	-	(20,337)	-	(20,337)
Public safety	13,344	-	-	(13,344)	-	(13,344)
Environmental protection	47,212	-	-	(47,212)	-	(47,212)
Cultural & recreation	1,735	-	-	(1,735)	-	(1,735)
Debt service	-	-	-	-	-	-
Total governmental activities	<u>\$ 234,711</u>	<u>\$ (400)</u>	<u>\$ -</u>	<u>\$ (234,311)</u>	<u>\$ -</u>	<u>\$ (234,311)</u>
Business-type Activities:						
Water & sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	<u>\$ 234,711</u>	<u>\$ (400)</u>	<u>\$ -</u>	<u>\$ (234,311)</u>	<u>\$ -</u>	<u>\$ (234,311)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				\$ 145,926	\$ -	\$ 145,926
Sales & other taxes				46,118	-	46,118
Intergovernmental revenues				71,819	-	71,819
Unrestricted investment earnings				3,078	148	3,226
Miscellaneous				5,556	-	5,556
Total general revenues				<u>\$ 272,497</u>	<u>\$ 148</u>	<u>\$ 272,645</u>
Change in net position				\$ 38,186	\$ 148	\$ 38,334
Net position-beginning				586,646	15,413	602,059
Net position-ending				<u>\$ 624,832</u>	<u>\$ 15,561</u>	<u>\$ 640,393</u>

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

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

	General Fund	Non-Major Funds	Total Governmental Funds
ASSETS			
Cash & cash equivalents	\$ 352,628	\$ -	\$ 352,628
Restricted cash & cash equivalents	82,390	-	82,390
Receivables (net):			
Taxes	19,944	-	19,944
Accounts	4,112	-	4,112
Others	-	-	-
Due from other funds	-	-	-
Due from other governments	14,495	-	14,495
Prepaid expenses	3,839	-	3,839
Total assets	<u>\$ 477,408</u>	<u>\$ -</u>	<u>\$ 477,408</u>
LIABILITIES			
Accounts payable & accrued expenses	\$ 10,956	\$ -	\$ 10,956
Due to other funds	-	-	-
Total liabilities	<u>\$ 10,956</u>	<u>\$ -</u>	<u>\$ 10,956</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	\$ 19,944	\$ -	\$ 19,944
Prepaid taxes	-	-	-
Total deferred inflows of resources	<u>\$ 19,944</u>	<u>\$ -</u>	<u>\$ 19,944</u>
FUND BALANCES			
Non Spendable			
Reserved for prepaids	\$ 3,839	\$ -	\$ 3,839
Restricted			
Restricted by state statute	18,607	-	18,607
Restricted for streets - Powell Bill	82,390	-	82,390
Assigned			
Designated for subsequent year's expenditures	-	-	-
Unassigned	341,672	-	341,672
Total fund balance	<u>\$ 446,508</u>	<u>\$ -</u>	<u>\$ 446,508</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 477,408</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	158,380
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	19,944
Some liabilities, including compensated absences earned, are not due and payable in the current period and therefore are not reported in the funds.	-
Net position of governmental activities	<u>\$ 624,832</u>

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

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

	General	Non-Major Fund	Total Governmental Funds	2018 Actual
Revenues:				
Ad valorem taxes	\$ 146,862	\$ -	\$ 146,862	\$ 140,194
Other taxes & licenses	46,118	-	46,118	44,087
Intergovernmental revenues	71,819	-	71,819	46,444
Charges for services	400	-	400	70
Investment earnings	3,078	-	3,078	2,336
Other revenues	5,557	-	5,557	4,119
Total Revenues	<u>\$ 273,834</u>	<u>\$ -</u>	<u>\$ 273,834</u>	<u>\$ 237,250</u>
Expenditures:				
General government	\$ 150,780	\$ -	\$ 150,780	\$ 108,104
Streets & highways	14,598	-	14,598	14,243
Public safety	16,439	-	16,439	7,664
Environmental protection	47,212	-	47,212	50,372
Cultural & recreation	1,735	-	1,735	13,012
Debt service	-	-	-	-
Total Expenditures	<u>\$ 230,764</u>	<u>\$ -</u>	<u>\$ 230,764</u>	<u>\$ 193,395</u>
Revenues over (under) expenditures	\$ 43,070	\$ -	\$ 43,070	\$ 43,855
Other financing sources (uses)	-	-	-	-
Revenues & other sources over (under) expenditures & other sources	\$ 43,070	\$ -	\$ 43,070	\$ 43,855
Fund balance, beginning of year	403,438	-	403,438	359,583
Fund balance, end of year	<u>\$ 446,508</u>	<u>\$ -</u>	<u>\$ 446,508</u>	<u>\$ 403,438</u>
Amounts reported for governmental activities in the statement of activities are different because:				
Net changes in fund balances - total governmental funds.				\$ 43,070
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.				10,754
Depreciation expense is recognized as an expense in the statement of activities.				(13,732)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:				
Changes in unavailable revenues for property tax revenues.				(936)
Provision for reduction in uncollectible property taxes				(970)
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				-
Total changes in net position of governmental activities				<u>\$ 38,186</u>

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

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

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Budget Amendments
Revenues:					
Ad valorem taxes	\$ 132,900	\$ 142,900	\$ 146,862	\$ 3,962	\$ 10,000
Other taxes & licenses	37,200	45,200	46,118	918	8,000
Intergovernmental revenues	45,700	69,000	71,819	2,819	23,300
Permits & fees	1,200	1,200	400	(800)	-
Investment earnings	480	480	3,078	2,598	-
Miscellaneous	2,100	2,100	5,557	3,457	-
Total Revenues	<u>\$ 219,580</u>	<u>\$ 260,880</u>	<u>\$ 273,834</u>	<u>\$ 12,954</u>	<u>\$ 41,300</u>
Expenditures:					
General government	\$ 127,565	\$ 163,865	\$ 150,780	\$ 13,085	\$ 36,300
Streets & highways	24,000	24,000	14,598	9,402	-
Public safety	13,895	17,895	16,439	1,456	4,000
Environmental protection	46,320	47,320	47,212	108	1,000
Cultural & recreation	7,800	7,800	1,735	6,065	-
Contingency reserve	-	-	-	-	-
Debt service	-	-	-	-	-
Total Expenditures	<u>\$ 219,580</u>	<u>\$ 260,880</u>	<u>\$ 230,764</u>	<u>\$ 30,116</u>	<u>\$ 41,300</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ 43,070	\$ 43,070	\$ -
Other financing sources (uses)	-	-	-	-	-
Revenues & other sources over (under) expenditures & other sources	\$ -	\$ -	\$ 43,070	<u>\$ 43,070</u>	\$ -
Fund balance appropriated	-	-			-
	<u>\$ -</u>	<u>\$ -</u>			<u>\$ -</u>
Fund balance, beginning of year			<u>403,438</u>		
Fund balance, end of year			<u>\$ 446,508</u>		

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

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

	Total
ASSETS	
Current Assets:	
Cash & cash equivalents	\$ 15,561
Accrued investment income	-
Account receivables (net)	-
Due from other funds	-
Prepaid insurance	-
Restricted cash & cash equivalents	-
Total current assets	\$ 15,561
Noncurrent Assets:	
Capital assets	\$ -
Total noncurrent assets	\$ -
Total assets	\$ 15,561
DEFERRED OUTFLOW OF RESOURCES	
Deferred charge on refunding	\$ -
Total deferred outflows of resources	\$ -
LIABILITIES	
Current Liabilities:	
Accounts payable & accrued expenses	\$ -
Total current liabilities	\$ -
Noncurrent liabilities:	
Compensated absences	\$ -
Total noncurrent liabilities	\$ -
Total liabilities	\$ -
NET POSITION	
Net investment in capital assets	\$ -
Unrestricted	15,561
Total net position	\$ 15,561
Net position of business-type activities	\$ 15,561

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

Exhibit 7

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

	<u>Water & Sewer Fund</u>
Nonoperating revenues (expenses):	
Investment earnings	\$ 148
Miscellaneous income	-
Check supplies	-
	<hr/>
Total nonoperating revenues (expenses)	\$ 148
	<hr/>
Net income (loss)	\$ 148
	<hr/>
Total net position, beginning	15,413
	<hr/>
Total net position, ending	\$ 15,561
	<hr/> <hr/>

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

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

	Water & Sewer Fund
<u>Cash flows from operating activities:</u>	
Net cash provided (used) by operating activities	\$ -
<u>Cash flows from capital & related financing activities:</u>	
Contributed capital	\$ -
Net cash provided (used) by capital & related financing activities	\$ -
<u>Cash flows from investing activities:</u>	
Investment earnings, net of check supplies	\$ 148
Net cash provided (used) by capital & related financing activities	\$ 148
Net increase (decrease) in cash & cash equivalents	\$ 148
Cash & cash equivalents, beginning of year	15,413
Cash & cash equivalents, end of year	\$ 15,561

Disclosure of Accounting Policy

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

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

**Exhibit 8
(continued)**

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

	<u>Water & Sewer Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>\$ -</u>
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	\$ -
Provision for uncollectible accounts	-
Changes in assets & liabilities:	
Decrease in accounts receivable	-
Increase in accounts payable & accrued liabilities	-
Increase in customer deposits	<u>-</u>
Total adjustments	<u>\$ -</u>
Net cash used by operating activities	<u><u>\$ -</u></u>

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

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

Note 1. Summary of Significant Accounting Policies

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

A. Description of Unit and Reporting Entity

The Town of Sedalia was incorporated on August 28, 1997. It is located in the eastern part of Guilford County, North Carolina.

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

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

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

B. Basis of Presentation

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

The Town reports the following major governmental fund:

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

The Town has no non-major governmental funds.

The Town reports the following major enterprise fund:

Water and Sewer Fund - Currently, the Water & Sewer Fund has no operating assets; however, maintenance of the Fund is necessary to properly account for the portion of the sales and use tax distribution that is restricted as to use. State statute restricts the use of a certain portion of the proceeds to water and sewer capital outlay purposes and/or retirement of debt incurred for those purposes.

The Town has given consideration to providing water and sewer services to its residents at some point in the future; therefore, the Town Council has decided not to request exemption from the sales tax restrictions.

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.

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.

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

Note 1. Summary of Significant Accounting Policies (continued)C. Measurement Focus and Basis of Accounting (continued)

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, 2015 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. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues, which are unearned at year-end, are recorded as unearned revenues. Under the terms of grant agreements, the Town may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, if and when program expenses are incurred, there are both restricted and unrestricted net assets 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.

As permitted by generally accepted accounting principles, the Town has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

D. Budgetary Data

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

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

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund 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 with maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices.

The Town does not have a formal investment or credit risk policy.

The Town does not have a formal policy on custodial credit risk.

2. Cash and Cash Equivalents

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

3. Restricted Assets

The Powell Bill fund is classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

4. Ad Valorem Tax Receivable

In accordance with state law [G.S. 105-347 and G-S. 159-13 (a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. The levy is based on the assessed valuation of property located in the Town as of January 1, 2018. As allowed by state law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts. The Town has an arrangement with Guilford County for the billing and collecting of the Town's property taxes.

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

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Fund Balance (continued)

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

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

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

7. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	30
Infrastructure	10 - 15
Building improvements	6 - 15
Furniture & equipment	6 - 10
Computer equipment	5

8. Deferred outflows/inflows of resources

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

9. Long-term Obligations

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

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

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Fund Balance (continued)

9. Long-term Obligations (continued)

that approximates the effective interest method. Bonds payable are reported net of any applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the 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. Any premiums received on debt issuances are reported as other financing sources while any discounts on debt issuances are reported as other financing uses. Any issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

At June 30, 2019, the Town has two part-time employees, therefore there are no obligations for vacation or sick pay.

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

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

The governmental fund types classify fund balances as follows:

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

Reserved for prepaid expenses – portion of fund balance that has been expended for the benefit of future periods.

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

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Fund Balance (continued)

11. Net Position/Fund Balance (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 – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents that 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 Town of Sedalia’s governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

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

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

The Town of Sedalia has not adopted a minimum fund balance policy for the General Fund.

F. Inter-fund Transactions

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

G. Use of Estimates

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

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

Note 2. Stewardship, Compliance, and Accountability

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

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

B. Excess of Expenditures Over Appropriations

All Funds

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

C. Deficit Fund Balance or Net Position of Individual Funds

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

Note 3. Detail Notes on All Funds

A. Assets

1. Deposits

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

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

Note 3. Detail Notes on All Funds (continued)

At June 30, 2019, the Town's deposits had a carrying amount of \$450,479 and a bank balance of \$467,679. The bank balance was covered by \$250,000 of 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 \$100.

The Town does not have a formal policy on custodial credit risk.

2. Receivables-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 allowance for doubtful accounts.

<u>Fund</u>	<u>Amount</u>
General	
Ad valorem taxes	<u>\$ 4,357</u>

3. Capital Assets

Capital asset activity for 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 not being depreciated:				
Land	\$ 18,926	\$ -	\$ -	\$ 18,926
Capital assets being depreciated:				
Buildings	\$ 188,992	\$ -	\$ -	\$ 188,992
Furniture, fixtures & equipment	15,782	7,659	-	23,441
Infrastructure	109,864	3,095	-	112,959
Total capital assets being depreciated	<u>\$ 314,638</u>	<u>\$ 10,754</u>	<u>\$ -</u>	<u>\$ 325,392</u>
Less accumulated depreciation for:				
Buildings	\$ 112,759	\$ 6,688	\$ -	\$ 119,447
Furniture, fixtures & equipment	13,429	1,305	-	14,734
Infrastructure	46,019	5,739	-	51,758
Total accumulated depreciation	<u>\$ 172,207</u>	<u>\$ 13,732</u>	<u>\$ -</u>	<u>\$ 185,939</u>
Total capital assets being depreciated, net	<u>\$ 142,431</u>			<u>\$ 139,453</u>
Governmental activity capital assets, net	<u>\$ 161,357</u>			<u>\$ 158,379</u>

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

Note 3. Detail Notes on All Funds (continued)

Depreciation expense was charged to functions/programs of the Primary Government as follows:

General governments	\$ 7,993
Streets & highways	<u>5,739</u>
Total depreciation expense	<u>\$ 13,732</u>

B. Liabilities

1. Pension Plan Obligations

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

2. Deferred Outflows and Inflows of Resources

There were no deferred outflows of resources at year end.

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

	General
	<u>Fund</u>
Ad valorem taxes receivable, net	<u>\$ 19,944</u>

3. Commitments

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

4. Risk Management

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

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

The Town has adopted a flood damage prevention ordinance and flood prone areas within the jurisdiction of the Town have been identified. Flood insurance is available to the Town and its residents; however the Town has determined that coverage is not needed at the present 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 \$10,000.

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

Note 3. Detail Notes on All Funds (continued)

5. Claims and Judgments

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

6. Lease Obligations

The Town has no material long-term lease obligations.

7. Long-Term Debt

The Town has no long-term debt as of June 30, 2019.

At June 30, 2019, the Town had no authorized but unissued bonds. The Town has a legal debt margin of \$4,245,103.

C. Interfund Receivables and Payables:

There were no interfund receivables or payables at June 30, 2019.

D. 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	\$ 446,508
Less:	
Reserved for prepaid	3,839
Stabilization by State Statute	18,607
Reserved for streets – Powell Bill	82,390
Working Capital/Fund Balance Policy	341,672
<u>Remaining Fund Balance</u>	<u>0</u>

There are no outstanding encumbrances at year-end.

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

Note 4. Single Audit Act Requirements

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

Note 5. Change in Accounting Principles/Restatement

The Town of Sedalia implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2014. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position.

Note 6. Subsequent Events

In preparing these financial statements, the Town of Sedalia has evaluated events for potential recognition or disclosure through January 6, 2021, the date the financial statements were available to be issued. After the balance sheet date of these financial statements, the World Health Organization declared the outbreak of COVID-9, a novel strain of Coronavirus, a pandemic. The Coronavirus has seriously disrupted the normal flow of financial transactions and related processes. The impact of the outbreak on operational and financial performance will depend on its duration and spread, and its impact on our customers, employees, and vendors. Governmental, regulatory, and private sector responses may have an impact as well. The financial statements do not reflect any adjustments as a result of the increased economic uncertainty.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS SECTION

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

	2019			2018 Actual
	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Ad valorem taxes:				
Current year	\$ 133,600	\$ 136,397	\$ 2,797	\$ 133,714
Prior years	8,400	8,405	5	5,023
Penalties & interest, net of discounts	900	2,060	1,160	1,457
Total	<u>\$ 142,900</u>	<u>\$ 146,862</u>	<u>\$ 3,962</u>	<u>\$ 140,194</u>
Other taxes & licenses:				
Local option sales tax	\$ 45,200	\$ 46,118	\$ 918	\$ 44,087
Privilege licenses	-	-	-	-
Total	<u>\$ 45,200</u>	<u>\$ 46,118</u>	<u>\$ 918</u>	<u>\$ 44,087</u>
Unrestricted intergovernmental revenues:				
Utility franchise & excise tax	\$ 27,120	\$ 29,218	\$ 2,098	\$ 28,723
Beer & wine tax	2,880	2,783	(97)	2,781
Solid waste disposal tax	400	479	79	427
Total	<u>\$ 30,400</u>	<u>\$ 32,480</u>	<u>\$ 2,080</u>	<u>\$ 31,931</u>
Restricted intergovernmental revenues:				
Revitalization grant	\$ 23,300	\$ 25,000	\$ 1,700	\$ -
Powell Bill allocation	15,300	14,339	(961)	14,513
Total	<u>\$ 38,600</u>	<u>\$ 39,339</u>	<u>\$ 739</u>	<u>\$ 14,513</u>
Permits & fees	\$ 1,200	\$ 400	\$ (800)	\$ 70
Sales & services	\$ -	\$ -	\$ -	\$ -
Investment earnings	\$ 480	\$ 3,078	\$ 2,598	\$ 2,336
Other revenues:				
ABC distributions	\$ 1,500	\$ 1,162	\$ (338)	\$ 1,864
Sales tax refunds	360	692	332	1,055
Miscellaneous	240	3,703	3,463	1,200
Total	<u>\$ 2,100</u>	<u>\$ 5,557</u>	<u>\$ 3,457</u>	<u>\$ 4,119</u>
Total Revenues	<u>\$ 260,880</u>	<u>\$ 273,834</u>	<u>\$ 12,954</u>	<u>\$ 237,250</u>

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

For the Year Ended June 30, 2019
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	2019			2018 Actual
	Final Budget	Actual	Variance Favorable (Unfavorable)	
Expenditures:				
General government:				
Governing body:				
Salaries & wages	\$ 14,280	\$ 14,294	\$ (14)	\$ 14,023
Payroll taxes	1,285	1,094	191	1,073
Travel & training	16,000	15,619	381	12,388
Contracted services-Board of Elections	600	-	600	392
Insurance & bonds-general & public officials liability	1,800	975	825	975
Dues & subscriptions	1,360	1,325	35	375
Council retreat	-	-	-	205
Miscellaneous	600	380	220	79
Capital outlays	5,500	5,361	139	-
Total	\$ 41,425	\$ 39,051	\$ 2,374	\$ 29,510
Administration:				
Professional services:				
Legal	\$ 10,000	\$ 5,911	\$ 4,089	\$ 4,512
Accounting	1,800	395	1,405	-
Salaries & wages-Town Clerk & assistant	36,800	36,370	430	33,603
Payroll taxes	3,300	2,880	420	2,571
Retirement benefit expense	-	711	(711)	-
Office supplies & expense	1,800	2,943	(1,143)	1,388
Travel & training	720	143	577	491
Telephone	700	567	133	797
Internet/broadband service	1,260	1,062	198	960
Website const. & maint.	1,000	1,245	(245)	516
Postage	1,020	172	848	966
Equipment rental-postal meter	1,000	837	163	1,048
Printing & copying	-	-	-	155
Maintenance & repairs-equipment	480	604	(124)	323
Equipment rental-copier	2,400	2,145	255	1,869
Legal advertising	600	364	236	17
Planning board & fees	2,300	1,351	949	2,024
Surveying & mapping	600	-	600	-
Calling Post information service	280	220	60	220
Insurance & bonds	1,640	2,508	(868)	1,560
Dues & subscriptions	1,800	1,394	406	1,548
Security monitoring	900	552	348	736
Miscellaneous	600	882	(282)	364
Capital outlays	1,280	2,298	(1,018)	502
Total	\$ 78,580	\$ 71,637	\$ 6,943	\$ 56,170

Exhibit 10
(continued)

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

	2019			2018 Actual
	Final Budget	Actual	Variance Favorable (Unfavorable)	
<u>Expenditures (continued):</u>				
General government (continued):				
Finance:				
Professional services:				
Audit	\$ 8,200	\$ 7,100	\$ 1,100	\$ 7,100
Property tax billings & collections	780	1,993	(1,213)	768
Other accounting services	6,600	5,739	861	6,351
Travel & training	-	-	-	-
Office supplies	180	173	7	183
Maint. & repair-equipment	-	-	-	-
Bank service charges	240	-	240	272
Insurance & bonds	240	100	140	100
Miscellaneous	120	(3)	123	20
Capital outlays	-	-	-	-
Total	<u>\$ 16,360</u>	<u>\$ 15,102</u>	<u>\$ 1,258</u>	<u>\$ 14,794</u>
Public buildings & works:				
Electricity	\$ 2,400	\$ 1,981	\$ 419	\$ 1,923
Fuel oil/gas	-	-	-	-
Water & sewer	-	-	-	-
Repairs & maintenance- building & grounds	23,880	22,132	1,748	5,258
Repairs & maintenance- equipment	-	197	(197)	13
Departmental supplies	-	129	(129)	-
Beautification Committee	380	-	380	-
Insurance & bonds	480	298	182	302
Miscellaneous	360	253	107	134
Capital outlays	-	-	-	-
Total	<u>\$ 27,500</u>	<u>\$ 24,990</u>	<u>\$ 2,510</u>	<u>\$ 7,630</u>
Total General Government	<u>\$ 163,865</u>	<u>\$ 150,780</u>	<u>\$ 13,085</u>	<u>\$ 108,104</u>
Streets & Highways:				
Street lighting	\$ 17,000	\$ 11,998	\$ 5,002	\$ 13,743
Repairs & maintenance-patching holes	2,400	2,600	(200)	-
Engineering & surveying	-	-	-	500
Miscellaneous	-	-	-	-
Capital outlay - street improvements	4,600	-	4,600	-
Total Streets & Highways	<u>\$ 24,000</u>	<u>\$ 14,598</u>	<u>\$ 9,402</u>	<u>\$ 14,243</u>

Exhibit 10
(continued)

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

For the Year Ended June 30, 2019

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

	2019			2018 Actual
	Final Budget	Actual	Variance Favorable (Unfavorable)	
Expenditures (continued):				
Public Safety:				
Contracted services-fire code inspections	\$ 1,200	\$ 113	\$ 1,087	\$ 294
Animal control	1,800	725	1,075	1,088
Contracted services-Code enforcement	10,895	12,506	(1,611)	6,282
Capital outlays	4,000	3,095	905	-
Total Public Safety	\$ 17,895	\$ 16,439	\$ 1,456	\$ 7,664
Transportation	\$ -	\$ -	\$ -	\$ -
Environmental protection-sanitation:				
Trash pick-up	\$ 47,320	\$ 47,212	\$ 108	\$ 50,372
Cultural	\$ -	\$ -	\$ -	\$ -
Recreational:				
Sedalia Founder's Day Celebration and other special events	\$ 3,000	\$ 1,735	\$ 1,265	\$ 5,448
Bike path development plan	4,800	-	4,800	7,564
Miscellaneous	-	-	-	-
Total Recreational	\$ 7,800	\$ 1,735	\$ 6,065	\$ 13,012
Total Cultural & Recreational	\$ 7,800	\$ 1,735	\$ 6,065	\$ 13,012
Contingency reserve	\$ -	\$ -	\$ -	\$ -
Debt Service:				
Principal retirement & interest	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 260,880	\$ 230,764	\$ 30,116	\$ 193,395
Excess of Revenues Over (Under) Expenditures	\$ -	\$ 43,070	\$ 43,070	\$ 43,855

**Exhibit 10
(continued)**

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

	2019			2018 Actual
	Final Budget	Actual	Variance Favorable (Unfavorable)	
<u>Expenditures (continued):</u>				
Excess of Revenues Over (Under) Expenditures (forwarded)	\$ -	\$ 43,070	\$ 43,070	\$ 43,855
Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses	\$ -	\$ 43,070	<u>\$ 43,070</u>	\$ 43,855
Fund Balance Appropriated	-			
	<u>\$ -</u>			
Fund Balance-Beginning of Year		<u>403,438</u>		<u>359,583</u>
Fund Balance-End of Year		<u>\$ 446,508</u>		<u>\$ 403,438</u>

Town of Sedalia, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
Water And Sewer Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	2019			2018 Actual
	Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Operating Revenues	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues:				
Interest on investments	-	148	148	113
Total Revenues	<u>\$ -</u>	<u>\$ 148</u>	<u>\$ 148</u>	<u>\$ 113</u>
Expenditures:				
Check supplies	\$ -	\$ -	\$ -	\$ -
Bank service charges	-	-	-	-
Water feasibility study	-	-	-	-
Contingency reserve	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ 148	\$ 148	\$ 113
Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses	\$ -	<u>\$ 148</u>	<u>\$ 148</u>	<u>\$ 113</u>
Retained Earnings Appropriated	-			
	<u>\$ -</u>			

Town of Sedalia, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
Water And Sewer Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2018)

	2019	2018
<u>Reconciliation of Modified Accrual</u>		
<u>Basis of full Accrual Basis</u>		
Excess of Revenues Over (Under) Expenditures	\$ 148	\$ 113
Budgetary Appropriations	-	-
Change in net position	\$ 148	\$ 113

OTHER FINANCIAL SCHEDULES

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

	<u>Cost Value</u>	<u>Market Value</u>
Cash:		
On hand	\$ 100	\$ 100
In demand deposits	-	-
In time deposits:		
NOW, SuperNOW & money market accounts	450,479	450,479
Certificates of deposit	-	-
	<u> </u>	<u> </u>
Total cash & investments	<u>\$ 450,579</u>	<u>\$ 450,579</u>
 Distribution by Fund:		
General Fund	\$ 435,018	
Enterprise Fund - Water & Sewer Fund	<u>15,561</u>	
	<u>\$ 450,579</u>	

Town of Sedalia, North Carolina
Schedule of Capital Assets Used In The Operation Of Governmental Funds
By Function and Activity
 For the Year Ended June 30, 2019

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Construction In Progress</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Totals</u>
GENERAL GOVERNMENT:						
Administration	\$ 18,926	\$ 188,992	\$ -	\$ -	\$ 26,536	\$ 234,454
PUBLIC SAFETY:						
	-	-	-	-	-	-
STREETS & HIGHWAYS:						
Street lighting	-	-	-	2,849	-	2,849
Street improvements	-	-	-	107,015	-	107,015
CULTURAL & RECREATION:						
Recreation	-	-	-	-	-	-
TOTALS	<u>\$ 18,926</u>	<u>\$ 188,992</u>	<u>\$ -</u>	<u>\$ 109,864</u>	<u>\$ 26,536</u>	<u>\$ 344,318</u>

Town of Sedalia, North Carolina
Schedule of Changes In Capital Assets Used In The Operation Of Governmental Funds
By Function and Activity
 For the Year Ended June 30, 2019

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2019</u>
GENERAL GOVERNMENT:				
Administration	\$ 223,700	\$ 7,659	\$ -	\$ 231,359
PUBLIC SAFETY:	-	-	-	-
STREETS & HIGHWAYS:				
Street lighting	2,849	-	-	2,849
Street improvements	107,015	3,095	-	110,110
CULTURAL & RECREATION:				
Recreation	-	-	-	-
TOTALS	<u>\$ 333,564</u>	<u>\$ 10,754</u>	<u>\$ -</u>	<u>\$ 344,318</u>

SUPPLEMENTARY INFORMATION

STATISTICAL SECTION

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

Fiscal Year	Uncollected Balance 7/1/2018	Additions	Collections	Abatements and Adjustments	Uncollected Balance 6/30/2019
2018-2019	\$ -	\$ 145,926	\$ (136,397)	\$ (1,319)	\$ 8,210
2017-2018	9,810	-	(5,811)	514	4,513
2016-2017	5,545	-	(3,070)	420	2,895
2015-2016	2,782	-	(629)	133	2,286
2014-2015	1,820	-	(101)	18	1,737
2013-2014	1,567	-	(307)	87	1,347
2012-2013	1,224	-	(60)	22	1,185
2011-2012	705	-	-	-	705
2010-2011	373	-	(90)	36	319
2009-2010	300	-	(68)	27	259
2008-2009	328	-	(57)	27	298
2007-2008	223	-	(60)	30	193
2006-2007	560	-	(211)	3	353
	<u>\$ 25,237</u>	<u>\$ 145,926</u>	<u>\$ (146,862)</u>	<u>\$ -</u>	<u>\$ 24,301</u>
Less: allowance for uncollectible accounts (General Fund)					<u>(4,357)</u>
Ad Valorem Taxes Receivable, net					<u>\$ 19,944</u>

Reconciliation With Revenues:

Ad valorem taxes - General Fund	\$ 144,802
Penalties & interest, net of discounts	2,060
	<u>\$ 146,862</u>

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

	Total Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Tax Levy:					
Real property	\$ 52,730,625	0.2750	\$ 145,009	\$ 145,009	\$ -
Personal property	5,982,010	0.2750	16,451	1,175	15,276
Public service companies	<u>3,300,655</u>	0.2750	<u>9,077</u>	<u>9,077</u>	<u>-</u>
Total	<u>\$ 62,013,290</u>		<u>\$ 170,537</u>	<u>\$ 155,261</u>	<u>\$ 15,276</u>
Less: Homestead exemptions	<u>(8,949,500)</u>	0.2750	<u>\$ (24,611)</u>	<u>(24,611)</u>	<u>-</u>
	<u><u>\$ 53,063,790</u></u>		<u>\$ 145,926</u>	<u>\$ 130,650</u>	<u>\$ 15,276</u>
Advertising, Interest Cost & Late Filing Fees			<u>-</u>	<u>-</u>	<u>-</u>
Gross Levy			\$ 145,926	\$ 130,650	\$ 15,276
Releases & Adjustments			<u>(1,319)</u>	<u>(1,319)</u>	<u>-</u>
Net Levy			\$ 144,607	\$ 129,331	\$ 15,276
Uncollected Balance - June 30, 2016			<u>(8,210)</u>	<u>(8,021)</u>	<u>(189)</u>
Current Year Taxes Collected			<u><u>\$ 136,397</u></u>	<u><u>\$ 121,310</u></u>	<u><u>\$ 15,087</u></u>
Percent Current Year Taxes Collected			<u><u>94.32%</u></u>	<u><u>93.80%</u></u>	<u><u>98.76%</u></u>