

TOWN OF RUTH, NORTH CAROLINA

Financial Statements, Supplemental Schedules and
Independent Auditors' Report
For the Year Ended June 30, 2020

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

TOWN OF RUTH, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS June 30, 2020

Mayor & Town Council

Mayor

David Guy

Councilmen

William Steppe
Ron Carpenter

Town Administration

Finance Officer

Amy Goode - Hanaway

TOWN OF RUTH, NORTH CAROLINA

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TOWN OF RUTH, NORTH CAROLINA

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FINANCIAL SECTION

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 - **Basic Financial Statements**
 - **Notes to the Financial Statements**
 - **Individual Fund Schedules**
 - **Other Schedules**
-

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

121 N. Sterling Street
Morganton, North Carolina 28655
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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ruth, North Carolina, as of and for the year ended June 30, 2020, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ruth, North Carolina, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3–9, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards 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 Town of Ruth, North Carolina's basic financial statements. The individual fund financial statements, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Lowmick Church & Co., L.L.P.

Morganton, North Carolina
January 14, 2021

Management's Discussion and Analysis

As management of Town of Ruth, we offer readers of Town of Ruth's financial statements this narrative overview and analysis of the financial activities of Town of Ruth for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in Town of Ruth's financial statements, which follow this narrative.

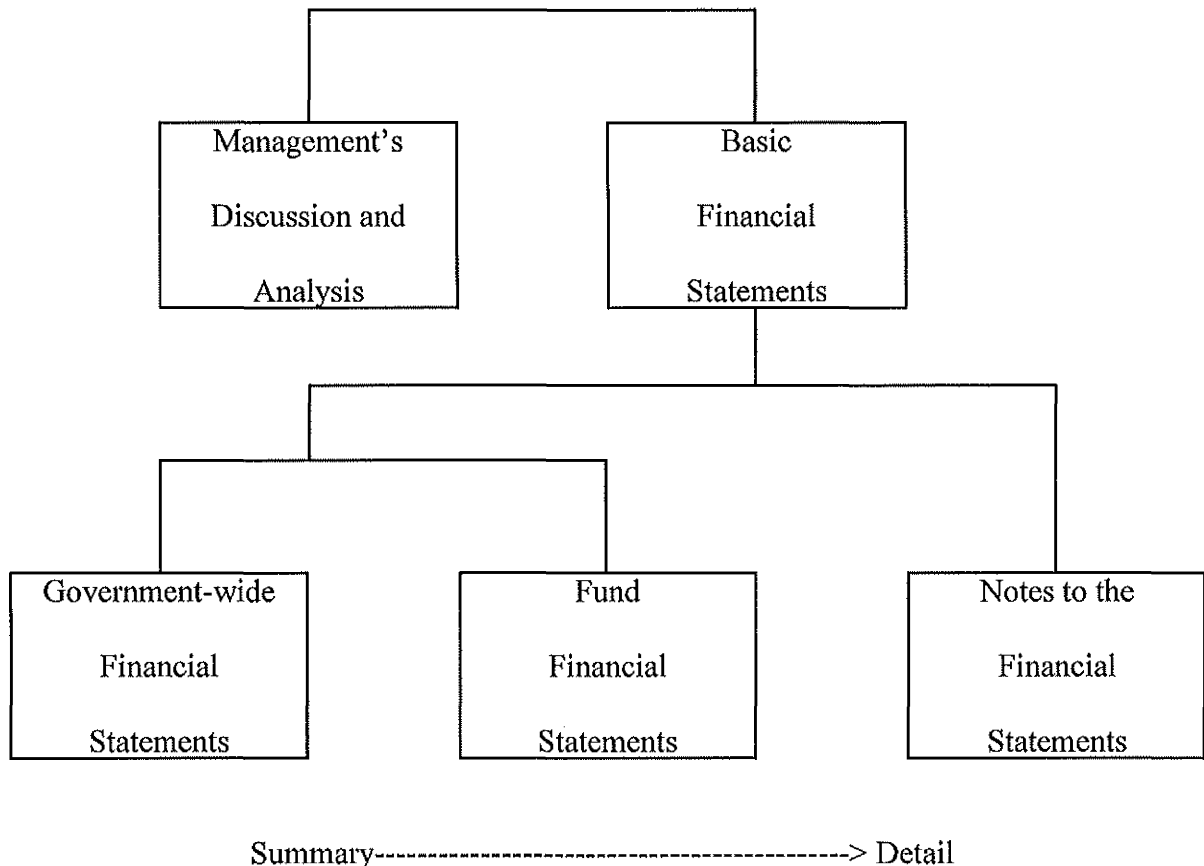
Financial Highlights

- The assets and deferred outflows of resources of Town of Ruth exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$733,971 (net position).
- The government's total net position increased by \$14,183.
- As of the close of the current fiscal year, Town of Ruth's governmental funds reported combined ending fund balances of \$629,733, with a net decrease of \$2,815 in fund balance. Approximately 3.18 percent of this total amount, or \$20,023, is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$588,626, or 306.23 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 Town of Ruth's basic financial statements. Town of Ruth'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 Town of Ruth 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 Town of Ruth.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 7) 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 budgetary comparison 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 comprised of governmental activities. The governmental activities include all of the Town's basic services such as public safety, transportation, environmental protection and general administration. Property taxes and State grant funds finance most of these activities.

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

Fund Financial Statements

The fund financial statements (see Figure 2) 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. Town of Ruth, 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 Ruth are in one category — governmental funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All 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.

Town of Ruth 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.

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 17 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents individual fund statements and schedules immediately following the notes. Individual fund statements and schedules can be found beginning on page 26 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 Ruth's Net Position
Figure 2

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Current and other assets	\$647,927	\$642,244
Capital assets	94,762	78,821
Deferred outflows of resources	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>742,689</u>	<u>721,064</u>
Other liabilities	8,718	1,277
Deferred inflows of resources	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>8,718</u>	<u>1,277</u>
Net position:		
Net investment in capital assets	94,762	78,821
Restricted	20,023	14,947
Unrestricted	<u>619,186</u>	<u>626,020</u>
Total net position	<u><u>\$733,971</u></u>	<u><u>\$719,788</u></u>

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of Town of Ruth exceeded liabilities and deferred inflows by \$733,971 as of June 30, 2020. The Town's net position increased by \$14,183 for the fiscal year ended June 30, 2020. However, one portion (12.91%), reflects the Town's net investment in capital assets (e.g., land, buildings, machinery, and equipment). Town of Ruth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of Town of Ruth's net position, \$20,023, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$619,186 is unrestricted.

Several particular aspects 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 97.23%, which is comparable to the statewide average of 99.21%.
- Revenues increased 15%, primarily due to an increase in charge for services.
- Expenditures decreased 16% mainly due to a decrease in maintenance and repairs.
- Increase in unrestricted investment earnings.

Town of Ruth's Changes in Net Position
Figure 3

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charge for services	\$ 25,234	\$ 8,940
Operating grants and contributions	14,409	14,458
General revenues:		
Property taxes	92,303	83,826
Local option sales tax	36,989	38,478
Other taxes	15,514	16,868
Investment earnings	6,012	2,874
Other	<u>-</u>	<u>(83)</u>
Total revenues	<u>190,461</u>	<u>165,361</u>
Expenses:		
General government	89,323	129,663
Public safety	34,707	24,924
Transportation	22,139	25,594
Environmental protection	<u>30,109</u>	<u>28,952</u>
Total expenses	<u>176,278</u>	<u>209,134</u>
Increase (decrease) in net position	14,183	(43,772)
Net position - July 1	<u>719,788</u>	<u>763,560</u>
Net position - June 30	<u><u>\$733,971</u></u>	<u><u>\$719,788</u></u>

Governmental Activities. Governmental activities increased the Town's net position by \$14,183, thereby accounting for 100% of the total increase in the net position of Town of Ruth. Expenditures decreased mainly due to a decrease in maintenance and repairs. The Town saw a 15% increase in revenues, which is primarily due to an increase in charges for services. Local option sales tax remained comparable to the prior year. Unrestricted investment earnings also contributed to the increase which is an indication of continuing economic growth.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of Town of Ruth. At the end of the current fiscal year, Town of Ruth's fund balance available in the general fund was \$609,709, while total fund balance reached \$629,733. The Town currently has an available fund balance of 317.19% of general fund expenditures, and total fund balance represents 327.61% of the same amount.

At June 30, 2020, the governmental funds of Town of Ruth reported a combined fund balance of \$629,733, with a net decrease in fund balance of \$2,815.

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

Increase in appropriated fund balance due to Christmas decorations, lighting fixture, and fire protection.
Increase in unrestricted intergovernmental revenues due to an anticipated increase in local option sales tax.

Capital Assets. Town of Ruth's investment in capital assets for its governmental activities as of June 30, 2020 totals \$94,762 (net of accumulated depreciation). These assets include buildings, land, and equipment.

	Town of Ruth's Capital Assets (Net of Accumulated Depreciation)	
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land	\$70,779	\$70,779
Buildings	<u>23,983</u>	<u>8,042</u>
Total	<u><u>\$94,762</u></u>	<u><u>\$78,821</u></u>

Additional information on the Town's capital assets can be found in Note III and on page 23 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators will reflect the growth and prosperity of the Town:

The tax rate will remain at .28 per one hundred dollars of valuation. The Rails to Trails project and its enhancements continue to hold the most value and potential in supporting local economics for the Town. One area of benefit the Town affords its citizens is the waste and recycling efforts. The Board recognized the need to make changes to the waste fees charged to the citizens in an effort to offset waste expenses. This will improve the Town's financial position. The NCDOT highway project continues to be the biggest economic factor concerning the Town's financial health. There are significant obstacles, as well as opportunities, regarding downtown beautification and big picture developments with the NCDOT highway project. The Board would like to investigate utilizing the land the Town owns to support Town revenue and enhance growth. The Board is working with the Tourism Committee and is hopeful the new road will increase vehicular traffic and foot traffic with the advancements in Rails to Trails. The Board is investigating revising the septic solutions and installing sewer lines and joining a current processing plant. The new Board is constantly accessing the roads and looking to continue with ongoing maintenance and improvements.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities: The Town's largest revenue source is the property tax. There is no change in the current tax rate of .28 cents per one hundred dollars of valuation. All other revenues are expected to remain relatively unchanged as well for fiscal year 2021.

Budgeted expenses in the General Fund are expected to decrease \$184,563. The largest decrease is the Christmas light expense while all other expenses are expected to remain relatively unchanged for fiscal year 2021.

The Town has chosen to appropriate \$21,083 of fund balance in the current fiscal year 2021 budget. Management believes that projected revenues will maintain the Town's financial position. As the Town considers future revenue sources, it has determined that the property tax rate will remain unchanged.

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 Finance Officer, Amy Goode-Hanaway, Town of Ruth, P. O. Box 791, Rutherfordton, N. C. 28139. You can also call (828) 287-7943 for more information.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements present a condensed overview of the financial position and the results of operations of the Town as a whole. They also serve as an introduction to the more detailed statements and schedules that follow.

TOWN OF RUTH**Exhibit 1****Statement of Net Position
June 30, 2020**

**Governmental
Activities****Assets**

Current assets:

Cash and cash equivalents	\$ 618,428
Taxes receivable (net)	9,476
Due from other governments	10,471
Restricted cash	9,552
Total current assets	<u>647,927</u>

Capital assets:

Land and non-depreciable improvements	70,779
Other capital assets, net of depreciation	<u>23,983</u>

Total capital assets	<u>94,762</u>
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Total assets	<u>742,689</u>
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Liabilities

Current liabilities:

Accounts payable and accrued liabilities	<u>8,718</u>
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Total liabilities	<u>8,718</u>
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Net Position

Net investment in capital assets	94,762
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Restricted for:

Stabilization by State Statute	10,471
Streets	9,552

Unrestricted	<u>619,186</u>
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Total net position	<u><u>\$ 733,971</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF RUTH**Exhibit 2****Statement of Activities
For the Year Ended June 30, 2020**

Function/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 89,323	\$ -	\$ -	\$ -	\$ (89,323)
Public safety	34,707	-	-	-	(34,707)
Transportation	22,139	-	14,409	-	(7,730)
Environmental protection	<u>30,109</u>	<u>25,234</u>	<u>-</u>	<u>-</u>	<u>(4,875)</u>
Total	<u>\$ 176,278</u>	<u>\$ 25,234</u>	<u>\$ 14,409</u>	<u>\$ -</u>	<u>(136,635)</u>
General revenues:					
Taxes:					
Property taxes					92,303
Local option sales tax					36,989
Other taxes					15,514
Unrestricted investment earnings					<u>6,012</u>
Total general revenues					<u>150,818</u>
Change in net position					14,183
Net position - beginning					<u>719,788</u>
Net position - ending					<u>\$ 733,971</u>

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

TOWN OF RUTH**Exhibit 3****Balance Sheet
Governmental Fund
June 30, 2020**

General**Assets**

Current assets:

Cash and cash equivalents	\$ 618,428
Restricted cash	9,552
Taxes receivable, net	9,476
Due from other governments	10,471
Total assets	<u>\$ 647,927</u>

Liabilities and Fund Balances

Liabilities:

Accounts payable and accrued liabilities	\$ 8,718
Total liabilities	<u>8,718</u>

Deferred inflows of resources:

Property taxes receivable	9,476
Total deferred inflows of resources	<u>9,476</u>

Fund balances:

Restricted	
Stabilization by State Statute	10,471
Streets	9,552
Assigned	
Subsequent year's expenditures	21,083
Unassigned	588,626
Total fund balances	<u>629,733</u>

Total liabilities, deferred inflows of
resources and fund balances\$ 647,927*The notes to the financial statements are an integral part of this statement.*

TOWN OF RUTH**Exhibit 4****Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position
June 30, 2020**

Total governmental fund balances \$ 629,733

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

Capital assets used in governmental activities are not financial resources

Gross capital assets at historical cost	\$ 189,662	
Accumulated depreciation	<u>(94,900)</u>	94,763

Earned revenues considered deferred inflows of resources
in fund statements.

Property taxes receivable	<u>9,476</u>
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Net position of governmental activities	<u><u>\$ 733,971</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF RUTH**Exhibit 5****Statement of Revenues, Expenditures, and Changes in Fund Balance****Governmental Fund****For the Year Ended June 30, 2020**

General**Revenues:**

Ad valorem taxes	\$ 91,246
Unrestricted intergovernmental revenues	77,736
Restricted intergovernmental revenues	14,409
Investment earnings	<u>6,012</u>

Total revenues	<u>189,404</u>
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Expenditures:

General government	105,264
Public safety	34,707
Transportation	22,139
Environmental protection	<u>30,109</u>

Total expenditures	<u>192,219</u>
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Net change in fund balance	(2,815)
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Fund balance, beginning	<u>632,548</u>
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Fund balance, ending	<u><u>\$ 629,733</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF RUTH**Exhibit 6****Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2020**

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

Net changes in fund balances - total governmental funds	\$ (2,815)
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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 outlay exceeded depreciation expense in the current period:

Capital outlay expenditures which were capitalized	17,367
Depreciation expense	(1,425)

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	<u>1,056</u>
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Total changes in net position of governmental activities	<u><u>\$ 14,183</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF RUTH**Exhibit 7**

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2020

	General Fund			Variance with Final Budget- Positive Negative
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Ad valorem taxes	\$ 91,557	\$ 91,557	\$ 91,246	\$ (311)
Unrestricted intergovernmental revenues	47,520	54,126	52,503	(1,623)
Restricted intergovernmental revenues	42,270	43,741	39,642	(4,099)
Investment earnings	<u>2,600</u>	<u>6,067</u>	<u>6,012</u>	<u>(55)</u>
Total revenues	<u>183,947</u>	<u>195,491</u>	<u>189,404</u>	<u>(6,087)</u>
Expenditures:				
General government	106,575	136,140	105,264	30,875
Public safety	29,262	34,762	34,707	55
Transportation	25,070	26,445	22,139	4,306
Environmental protection	<u>29,570</u>	<u>29,570</u>	<u>30,109</u>	<u>(537)</u>
Total expenditures	<u>190,477</u>	<u>226,918</u>	<u>192,219</u>	<u>34,699</u>
Revenues over (under) expenditures	<u>(6,530)</u>	<u>(31,426)</u>	<u>(2,815)</u>	<u>28,612</u>
Other Financing Sources (Uses):				
Fund balance appropriated	<u>6,530</u>	<u>31,427</u>	<u>-</u>	<u>(31,427)</u>
Total other financing sources (uses)	<u>6,530</u>	<u>31,427</u>	<u>-</u>	<u>(31,427)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,815)</u>	<u>\$ (2,815)</u>
Fund balance, beginning			<u>632,548</u>	
Fund balance, ending			<u>\$ 629,733</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.

TOWN OF RUTH, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

Town of Ruth is a municipal corporation that is governed by an elected mayor and a two-member council.

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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 recipient of goods and services offered by the programs or (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. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds.

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 general government, public safety, street maintenance and environmental protection.

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 Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus. The government-wide 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. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a 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 Town of Ruth, because the tax is levied by Rutherford 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.

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. All annual appropriations lapse at the fiscal year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. 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

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 nonguaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust. (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost.

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 (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Restricted Assets

Powell Bill Funds are 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 Ruth Restricted Cash

Governmental Activities

General Fund

Streets

\$9,552

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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance 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.

Prepaid Items

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

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 for all assets is \$5,000. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated 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.

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
Improvements	40
Furniture and equipment	10
Computer equipment	3

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. 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 only one item that meets the criterion for this category - property taxes receivable.

Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed 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:

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

Prepaid Items - The portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items that are costs applicable to future accounting periods and are expenses when used, which are not spendable resources.

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 - the portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Streets - The 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 - the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Ruth'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 - the portion of fund balance that Town of Ruth intends to use for specific purposes.

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

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

Town of Ruth has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local, non-city funds, and city 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 Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. Stewardship Compliance, and Accountability

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

1. Noncompliance with North Carolina General Statutes

Deposits Not Timely Made

G.S. 159-32, Daily deposits requires that, except as otherwise provided by law, all taxes and other moneys collected or received by an officer or employee of a local government or public authority shall be deposited in accordance with this section. Each officer and employee of a local government or public authority whose duty it is to collect or receive any taxes or other moneys shall deposit his collections and receipts daily. If the governing board gives its approval, deposits shall be required only when the moneys on hand amount to as much as two hundred fifty dollars (\$250), but, in any event, a deposit shall be made on the last business day of the month. Numerous deposits were not in compliance.

III. Detail Notes on All Funds

A. Assets

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's agent 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 agents 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 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 official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$627,981, and a bank balance of \$627,981. Of the bank balance, \$613,808 was covered by federal depository insurance, and the remainder was covered by collateral held under the Pooling Method.

Receivables - Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and Statement of Net Position for the year ended June 30, 2020 are net of the following allowances for doubtful accounts.

General Fund:

Taxes receivable

\$1,386

Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2020 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	<u>\$70,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$70,779</u>
Total capital assets not being depreciated	<u>70,779</u>	<u>-</u>	<u>-</u>	<u>70,779</u>
Capital assets being depreciated:				
Building	<u>78,054</u>	<u>-</u>	<u>-</u>	<u>78,054</u>
Building improvements	<u>16,496</u>	<u>-</u>	<u>-</u>	<u>16,496</u>
Other improvements	<u>6,966</u>	<u>17,367</u>	<u>-</u>	<u>24,333</u>
Total capital assets being depreciated	<u>101,516</u>	<u>17,367</u>	<u>-</u>	<u>118,883</u>
Less accumulated depreciated for:				
Building	<u>78,052</u>	<u>-</u>	<u>-</u>	<u>78,052</u>
Building improvements	<u>8,454</u>	<u>412</u>	<u>-</u>	<u>8,866</u>
Other improvements	<u>6,969</u>	<u>1,013</u>	<u>-</u>	<u>7,979</u>
Total accumulated depreciation	<u>93,474</u>	<u>\$1,425</u>	<u>\$ -</u>	<u>94,899</u>
Total capital assets being depreciated, net	<u>8,042</u>			<u>23,983</u>
Governmental activity capital assets, net	<u>\$78,821</u>			<u>\$94,762</u>

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

General government	<u>\$1,425</u>
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B. Liabilities

Deferred Outflows and Inflows of Resources

The Town has no deferred outflows of resources.

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

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Taxes receivable (General Fund)	<u>\$ -</u>	<u>\$9,476</u>

C. 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	\$629,733
Less:	
Stabilization by State Statute	10,471
Streets-Powell Bill	9,552
Appropriated Fund Balance in 2021 Budget	21,083
Remaining Fund Balance	588,626

IV. 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 carries commercial general liability coverage of \$1,000,000 per occurrence and Public officials E&O of \$1,000,000 per occurrence. 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 does not carry flood insurance, as the Town is not in an area of the State designated as a flood plain, and the expense does not warrant the purchase of coverage.

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 individually bonded for \$50,000.

V. Commitments

The Town has a service agreement for recyclable and garbage pickup for a five year period ended February 2018. The agreement automatically renewed for an additional five year term. Either party may terminate the successive term by notifying the other at least ninety days prior to the end of the initial term or any successive term. The fees charged will be adjusted annually on the anniversary of the effective date based on the Consumer Price Index published for December. The monthly fee was \$1,773 at June 30, 2020.

VI. Jointly Governed Organization

Isothermal Planning & Development Commission

The Town, in conjunction with four counties and twenty-four other municipalities, established the Isothermal Planning & Development Commission (the Commission). The participating governments established the Commission to coordinate various funding received from federal and State agencies. Each participating County appoints three members to the Commission's governing board, and each participating Town appoints one member to the Commission's governing board. The Town paid membership fees of \$500 to the Commission during the fiscal year ended June 30, 2020.

Broad River Water Authority

The Broad River Water Authority has been organized pursuant to the provisions of Chapter 162A Article 1, of the North Carolina General Statutes. The Water Authority was organized to purchase and manage a water system to provide water services to the citizens of Rutherford County, Town of Rutherfordton, Town of Spindale and Town of Ruth. The political subdivisions of the authority are Rutherford County, Town of Rutherfordton, Town of Spindale and Town of Ruth. Each political subdivision shall be allowed to appoint two members to the Authority. The Town, according to 162A-16, is authorized to make contributions or advances to an authority to provide for preliminary expenses of such authority. Any advances may be repaid to such political subdivisions from the proceeds of bonds issued by the authority. The Town of Ruth joined the Broad River Water Authority on March 10, 2000.

VII. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

VIII. Significant Effects of Subsequent Events

Management has evaluated subsequent events through January 14, 2021, the date on which the financial statements were available to be issued and concluded that the following subsequent event has occurred that would require recognition or disclosure in these financial statements:

COVID-19 Pandemic

The spread of the Coronavirus Disease (COVID-19) has been deemed a worldwide pandemic. The COVID-19 pandemic has had significant effects on global economic markets, supply chains, businesses and communities. Any fluctuations impacting the Town are not reflected in the financial statements for the year ended June 30, 2020, since the full impact of COVID-19 is unknown and cannot be reasonably estimated as of January 14, 2021.

**GOVERNMENTAL ACTIVITIES
MAJOR FUNDS
GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

TOWN OF RUTH**Schedule 1
Page 1 of 3**

**General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	<u>2020</u>		<u>Variance</u>	<u>2019</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes:				
Current year	\$ 91,557	\$ 89,495	\$ (2,062)	\$ 81,737
Prior years	-	1,185	1,185	2,693
Penalties and interest	-	566	566	957
Total	<u>91,557</u>	<u>91,246</u>	<u>(311)</u>	<u>85,387</u>
 Unrestricted intergovernmental:				
Local option sales tax	41,231	36,989	(4,242)	38,478
Utilities sales tax	12,544	15,165	2,620	16,464
Solid waste disposal tax	<u>350</u>	<u>349</u>	<u>(1)</u>	<u>404</u>
Total	<u>54,125</u>	<u>52,503</u>	<u>(1,623)</u>	<u>55,346</u>
 Restricted intergovernmental:				
Powell Bill allocation	15,000	14,409	(591)	14,458
Landfill fees	<u>28,741</u>	<u>25,233</u>	<u>(3,508)</u>	<u>8,940</u>
Total	<u>43,741</u>	<u>39,642</u>	<u>(4,099)</u>	<u>23,398</u>
 Investment earnings	<u>6,067</u>	<u>6,012</u>	<u>(55)</u>	<u>2,874</u>
 Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83)</u>
 Total revenues	<u>195,490</u>	<u>189,404</u>	<u>(6,086)</u>	<u>166,923</u>

cont.

TOWN OF RUTH**Schedule 1
Page 2 of 3**

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020		Variance Positive (Negative)	2019 Actual
	<u>Budget</u>	<u>Actual</u>		
Expenditures:				
General government:				
Salaries and employee benefits	\$ 24,575	\$ 23,681	\$ 894	\$ 23,767
Professional services	23,000	16,505	6,495	16,486
Other operating expenditures	<u>88,565</u>	<u>65,078</u>	<u>23,486</u>	<u>88,998</u>
Total general government	<u>136,140</u>	<u>105,264</u>	<u>30,875</u>	<u>129,251</u>
Public safety:				
Fire contracted services	<u>34,762</u>	<u>34,707</u>	<u>55</u>	<u>24,924</u>
Transportation:				
Street repair	13,200	6,250	6,950	16,183
Contracted services	1,200	-	1,200	1,375
Operating expenditures	<u>12,045</u>	<u>15,889</u>	<u>(3,844)</u>	<u>8,037</u>
Total transportation	<u>26,445</u>	<u>22,139</u>	<u>4,306</u>	<u>25,594</u>
Environmental protection:				
Contracted services	21,270	22,992	(1,722)	20,784
Landfill fees	<u>8,300</u>	<u>7,116</u>	<u>1,184</u>	<u>8,168</u>
Total environmental protection	<u>29,570</u>	<u>30,109</u>	<u>(537)</u>	<u>28,952</u>
Total expenditures	<u>226,917</u>	<u>192,219</u>	<u>34,698</u>	<u>208,721</u>
Revenues over (under) expenditures	<u>(31,427)</u>	<u>(2,815)</u>	<u>28,611</u>	<u>(41,799)</u>

cont.

TOWN OF RUTH**Schedule 1**
Page 3 of 3, cont.**General Fund**
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>2020</u>		<u>Variance Positive (Negative)</u>	<u>2019 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Other Financing Sources (Uses):				
Appropriation of fund balance	\$ 31,427	\$ -	\$ (31,427)	\$ -
Total other financing sources (uses)	<u>31,427</u>	<u>-</u>	<u>(31,427)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	(2,815)	<u>\$ (2,815)</u>	(41,799)
Fund balance - beginning		<u>632,548</u>		<u>674,347</u>
Fund balance - ending		<u>\$ 629,733</u>		<u>\$ 632,548</u>

OTHER SCHEDULES

-
- **This section contains additional information required on property taxes and transfers.**
 - **Schedule of Ad Valorem Taxes Receivable**
 - **Analysis of Current Tax Levy**
-

TOWN OF RUTH**Schedule 2****Schedule of Ad Valorem Taxes Receivable
June 30, 2020**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2019</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 92,076	\$ 89,511	\$ 2,565
2018-2019	2,299	-	972	1,327
2017-2018	1,191	-	45	1,146
2016-2017	1,382	-	34	1,348
2015-2016	1,015	-	113	902
2014-2015	870	-	47	823
2013-2014	914	272	-	1,186
2012-2013	873	-	13	860
2011-2012	381	-	13	368
2010-2011	341	-	5	336
2009-2010	68	-	68	-
	<u>68</u>	<u>-</u>	<u>68</u>	<u>-</u>
Total	<u>\$ 9,334</u>	<u>\$ 92,348</u>	<u>\$ 90,821</u>	10,861
Less allowance for uncollectibles				<u>(1,386)</u>
Balance				<u>\$ 9,475</u>
Reconciliation With Revenues:				
Taxes - Ad valorem - General Fund				\$ 91,246
Other				73
Amounts written off for fiscal year 2009-2010				68
Less interest collected				<u>(566)</u>
Total collections and credits				<u>\$ 90,821</u>

TOWN OF RUTH**Schedule 3****Analysis of Current Tax Levy
June 30, 2020**

	<u>Town - wide</u>		Property Excluding Registered Motor	Registered Motor
	Property	Total		
Original levy:				
Property taxes at current year's rate	\$ 27,641,323	\$ 0.28	\$ 77,286	\$ -
Registered motor vehicles taxed at current year's rate	<u>2,473,361</u>	<u>0.28</u>	<u>-</u>	<u>6,925</u>
Total property valuation	<u>\$ 30,114,684</u>	<u>\$ 84,211</u>	<u>\$ 77,286</u>	<u>\$ 6,925</u>
Net levy		\$ 84,211	\$ 77,286	\$ 6,925
Less uncollected taxes at June 30, 2019		<u>(2,299)</u>	<u>(2,299)</u>	<u>-</u>
Current year's taxes collected		<u>\$ 81,912</u>	<u>\$ 74,987</u>	<u>\$ 6,925</u>
Current levy collection percentage		<u>97.27%</u>	<u>97.03%</u>	<u>100.00%</u>