

***REVIEWED***

***By SLGFD at 9:31 am, Nov 04, 2021***

**Town of Roseboro  
Roseboro, North Carolina**

**Audited Financial Statements**

**Year Ended June 30, 2021**



**Town of Roseboro, North Carolina**

**Audited Financial Statements**

**For the Year Ended June 30, 2021**

**Board of Commissioners**

Alice Butler, Mayor

Anthony Bennett, Mayor Pro-Tem

Cyndi Templin

Richard Barefoot

Ray Clark Fisher

Mark Gupton

**Administrative and Financial Staff**

Janet Dunn, Town Clerk

Annette Jackson, Deputy Finance Officer

**Town of Roseboro, North Carolina**  
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**June 30, 2021**

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**Town of Roseboro, North Carolina**  
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## **Financial Section**



# **S. Preston Douglas & Associates, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

## **MEMBERS**

American Institute of CPAs

N. C. Association of CPAs

## **Independent Auditor's Report**

To the Honorable Mayor and  
Members of the Board of Commissioners  
Roseboro, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Roseboro, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Roseboro ABC Board, which represents 100 percent of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Roseboro ABC Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Roseboro ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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



## ***Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Town of Roseboro, North Carolina as of June 30, 2021, 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 ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10, the Local Government Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 41 and 42, respectively. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

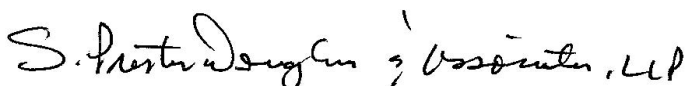
### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Roseboro, North Carolina. The individual fund statements, budget and actual schedules, and supplemental ad valorem tax schedules, are presented for the purpose 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, 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.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021 on our consideration of the Town of Roseboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Roseboro's internal control over financial reporting and compliance.



Lumberton, North Carolina  
October 12, 2021

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

**Town of Roseboro, North Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2021**

As management of the Town of Roseboro, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Roseboro for the fiscal year ending June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

**Financial Highlights**

The assets and deferred outflows of resources of the Town of Roseboro exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,959,598 (net position).

The government's total net position increased by \$400,070, primarily due to an increase in the governmental activities' net assets.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,647,275. Approximately 73.59% of this total amount, or \$1,948,068, is available for spending at the government's discretion (unassigned fund balance).

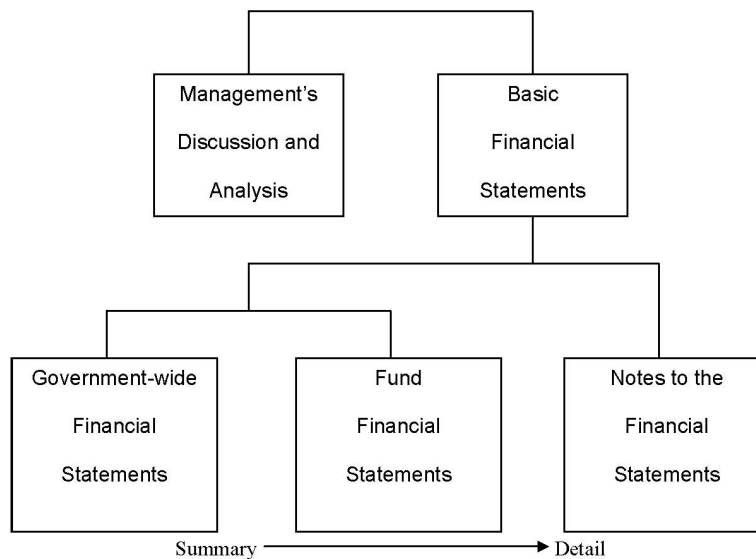
At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,948,068 or 166.58% of total General Fund expenditures.

**Overview of the Financial Statements**

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

**Required Components of Annual Financial Report**

**Figure 1**



**Town of Roseboro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**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 three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the proprietary fund statements.

The next section of the basic financial statements is the **Notes to the Financial Statements**. The notes explain in detail some of the data contained in those statements. After the notes, additional information is provided to show details about the Town's individual funds. Budgetary information required by the N.C. General Statutes can also 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, in a manner similar 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 they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities, and 2) business-type activities. The governmental activities include most of the Town's basic services such as general government, public safety, highways/streets, sanitation, economic development, culture and recreation, and debt service. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water and sewer services offered by the Town of Roseboro.

The government-wide financial statements can be found on pages 10 and 11 of this report.

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

**Governmental Funds.** Governmental funds are used to account for essentially the same 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 monies that are unexpended 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 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 Roseboro 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.

**Town of Roseboro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Governmental Funds (continued).** It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds.** The Town of Roseboro maintains one type of proprietary fund called an Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its water and sewer activity. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Funds, which are considered major funds of the Town.

**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 can be found on pages 21-39 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Roseboro's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 40 of this report.

**Government-Wide Financial Analysis**

**The Town of Roseboro's Net Position**  
**Figure 2**

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Totals 2021	Totals 2020
Current and other assets	\$ 2,746,502	\$ 2,318,993	\$ 469,467	\$ 390,610	\$ 3,215,969	\$ 2,709,603
Noncurrent assets	168,509	185,103	-	-	168,509	185,103
Capital assets	524,889	537,096	2,622,116	2,778,362	3,147,005	3,315,458
Deferred outflows of Resources	48,367	39,279	27,206	22,088	75,573	61,367
Total assets and deferred outflows	3,488,267	3,080,471	3,118,789	3,191,060	6,607,056	6,271,531
Current liabilities	34,535	10,193	183,731	82,186	218,266	92,379
Long-term liabilities	86,716	107,623	333,536	496,998	420,252	604,621
Deferred inflows of Resources	8,940	12,678	-	533	8,940	13,211
Total liabilities and deferred inflows	130,191	130,494	517,267	579,717	647,458	710,211
Net position						
Net investment in capital assets	508,486	488,392	2,245,776	2,314,496	2,754,262	2,802,888
Restricted	699,194	484,560	-	-	699,194	484,560
Unrestricted	2,150,396	1,975,233	355,746	296,847	2,506,142	2,272,080
Total net position	\$ 3,358,076	\$ 2,948,185	\$ 2,601,522	\$ 2,611,343	\$ 5,959,598	\$ 5,559,528

**Town of Roseboro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Government-Wide Financial Analysis (continued)**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$5,958,598 at the close of the current fiscal year.

By far the largest portion of the Town's net position, 46.22%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should note that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position, 11.73%, represents the Town's resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$2,506,142 or 42.05% of the total.

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

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Totals 2021	Totals 2020
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 113,934	\$ 115,713	\$ 621,357	\$ 626,716	\$ 735,291	\$ 742,429
Operating grants and contributions	430,166	271,154	34,214	60,663	464,380	331,817
Capital grants and contributions	-	-	30,000	-	30,000	-
General revenues						
Property taxes	553,842	576,124	-	-	553,842	576,124
Unrestricted intergovernmental	516,866	433,518	-	-	516,866	-
Other taxes	7,841	7,236	-	-	7,841	7,236
Other general revenues	24,392	44,132	4,049	2,346	28,441	46,478
Total revenues	1,647,041	1,447,877	689,620	689,725	2,336,661	1,704,084
<b>Expenses:</b>						
General government	334,270	263,107	-	-	334,270	263,107
Public safety	383,700	435,016	-	-	383,700	435,016
Transportation	160,794	139,437	-	-	160,794	139,437
Economic development	-	81,078	-	-	-	81,078
Environmental protection	337,769	276,140	-	-	337,769	276,140
Culture and recreation	19,893	9,421	-	-	19,893	9,421
Interest on long term debt	724	1,412	-	-	724	1,412
Water and sewer	-	-	701,066	627,365	701,066	627,365
Total expenses	1,237,150	1,205,611	701,066	627,365	1,938,216	1,832,976
Increase (decrease) in net position before transfers	409,891	242,266	(11,446)	62,360	398,445	304,626
Transfers	-	(3,686)	1,625	3,686	1,625	-
Change in net position	409,891	238,580	(9,821)	66,046	400,070	304,626
Net position, beginning	2,948,185	2,709,605	2,611,343	2,545,297	5,559,528	5,254,902
Net position - June 30	\$ 3,358,076	\$ 2,948,185	\$ 2,601,522	\$ 2,611,343	\$ 5,959,598	\$ 5,559,528

**Town of Roseboro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Government-Wide Financial Analysis (continued)**

Ad valorem taxes were the largest revenue contributor for the governmental funds with 33.63% of total revenues. Unrestricted intergovernmental revenues were the next largest at 31.38%.

Capital and operating grants for governmental activities furnished resources to support the five functions of the Town: general government, public safety, transportation, cultural and recreation, and non-departmental.

**Business-type activities.** Business-type activities decreased the Town's net position by \$9,821. Key elements of the change in net position compared to prior year are as follows:

- Operating loss totaled \$63,301.
- Depreciation expense totaled \$179,690.
- Total expenses increased by \$73,701 compared to the prior year.

**Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$2,647,275. Of this total amount, \$1,948,068 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that funds are not available for spending because these funds have already been committed 1) to liquidate contracts and purchase orders of the prior year, or 2) for a variety of other restricted purposes.

The General Fund is the principal operating fund of the Town of Roseboro. At the end of the fiscal year, unassigned fund balance for the general fund was \$1,948,068 with a total fund balance of \$2,335,837. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 166.58% of total General Fund expenditures.

**Proprietary Funds.** The Town of Roseboro's proprietary fund provides the same type of information found in the governmental-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Funds at the end of the fiscal year amounted to \$327,086. Other factors concerning these funds have been discussed in the Town's business-type activities.

**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:

- Amendments that adjust for the estimates that are prepared for the original budget ordinance, which reflect actual cost.
- Amendments that recognize new funding from external sources, such as federal and State grants.
- Amendments that appropriate increases that becomes necessary to maintain services and obligations from prior years not completed.

**Town of Roseboro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Capital Assets and Debt Administration**

**Capital assets.** The Town of Roseboro's investments in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$3,147,005 (net of accumulated depreciation). The investments in capital assets includes buildings, land, infrastructure, machinery and equipment, park facilities, and vehicles.

**Town of Roseboro's Capital Assets**  
**(net of depreciation)**  
**Figure 4**

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Totals 2021	Totals 2020
Land	\$ 56,053	\$ 45,057	\$ 51,151	\$ 51,151	\$ 107,204	\$ 96,208
Buildings and distribution systems	95,670	102,845	2,426,162	2,667,077	2,521,832	2,769,922
Land improvements	29,695	33,159	-	-	29,695	33,159
Infrastructure	94,608	98,204	-	-	94,608	98,204
Vehicles	68,136	102,477	-	-	68,136	102,477
Equipment	180,727	155,356	144,803	97,663	325,530	253,019
Total capital assets, net	\$ 524,889	\$ 537,098	\$ 2,622,116	\$ 2,815,891	\$ 3,147,005	\$ 3,352,989

Additional information on the Town's capital assets can be found in the notes on page 30 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Roseboro had total bonded and installment debt outstanding of \$392,743.

**Town of Roseboro's Outstanding Debt**  
**Figure 5**

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Totals 2021	Totals 2020
Installment purchases	\$ 16,403	\$ 48,704	\$ 376,340	\$ 463,866	\$ 392,743	\$ 512,570
Compensated absences	8,043	-	3,610	-	11,653	-
Net pension obligation (LGERS)	80,959	58,919	45,540	33,132	126,499	92,051
Total outstanding debt	\$ 105,405	\$ 107,623	\$ 425,490	\$ 496,998	\$ 530,895	\$ 604,621

North Carolina's General Statutes limit the amount of general obligation debt that a governmental unit can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Roseboro is presently at \$6,769,943 (the amount of additional debt the town could obligate itself to under NC General Statute).

Additional information pertaining to the Town of Roseboro's long-term debt can be found in the notes on page 38 of this report.



**Town of Roseboro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Economic Factors and Next Year's Budgets and Rates**

Roseboro is a municipality of Sampson County. Sampson County at June 30, 2021 has experienced an unemployment rate of 4.5% which is slightly below the state average of 4.9%.

**Budget Highlights for the Fiscal Year Ending June 30, 2022**

**Governmental Activities:** Roseboro set the tax rate at \$0.65 per \$100 assessed valuation for Fiscal Year 2021.

**Business-type Activities:** Budget consistent with prior year with no major changes.

**Request for Information**

This financial report is designed to provide a general overview of the Town of Roseboro's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Deputy Finance Officer, Annette Jackson at P.O. Box 848, Roseboro, NC 28382, or by e-mail at [roseborotcfo@roseboronc.com](mailto:roseborotcfo@roseboronc.com).

## **Basic Financial Statements**

**Town of Roseboro, North Carolina**  
**Statement of Net Position**  
**For the Year Ended June 30, 2021**

	Primary Government			Component
	Governmental	Business-type		Unit
	Activities	Activities	Total	ABC
				Board
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,281,557	\$ 344,112	\$ 2,625,669	\$ 251,485
Receivables:				
Taxes receivable (net)	61,708	-	61,708	-
Accounts receivable (net)	11,213	74,423	85,636	-
Due from other governments	100,650	8,685	109,335	-
Internal balances	34,200	(34,200)	-	-
Notes receivable-current	12,836	-	12,836	-
Inventory	-	-	-	124,348
Prepaid items	-	-	-	916
Cash and cash equivalents - restricted	244,338	76,447	320,785	-
<b>Total current assets</b>	<b>2,746,502</b>	<b>469,467</b>	<b>3,215,969</b>	<b>376,749</b>
Non-current assets:				
Notes receivable- noncurrent	168,509	-	168,509	-
Capital assets (Note 3):				
Land, non-depreciable improvements	56,053	51,151	107,204	15,368
Other capital assets, net of depreciation	468,836	2,570,965	3,039,801	112,800
<b>Total capital assets</b>	<b>524,889</b>	<b>2,622,116</b>	<b>3,147,005</b>	<b>128,168</b>
<b>Total assets</b>	<b>3,439,900</b>	<b>3,091,583</b>	<b>6,531,483</b>	<b>504,917</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals	48,367	9,514	75,573	-
<b>Total deferred outflows of resources</b>	<b>48,367</b>	<b>27,206</b>	<b>75,573</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	15,296	12,674	27,970	51,589
Unearned revenue	-	2,658	2,658	-
Current portion of compensated absences	2,286	1,879	4,165	-
Current portion of long-term liabilities	16,403	90,075	106,478	-
Customer deposits	550	76,445	76,995	-
<b>Total current liabilities</b>	<b>34,535</b>	<b>183,731</b>	<b>218,266</b>	<b>51,589</b>
Long-term liabilities:				
Non-current portion of long-term debt	-	286,265	286,265	-
Non-current portion of compensated absences	5,757	1,731	7,488	-
Net pension liability (LGERS)	80,959	45,540	126,499	-
<b>Total liabilities</b>	<b>121,251</b>	<b>517,267</b>	<b>638,518</b>	<b>51,589</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	8,940	-	8,940	-
Pension deferrals	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>8,940</b>	<b>-</b>	<b>8,940</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	508,486	2,245,776	2,754,262	128,618
Restricted for:				
Stabilization by State Statute	145,280	-	145,280	-
Public safety	229,395	-	229,395	-
Economic development	311,425	-	311,425	-
Culture and recreation	13,094	-	13,094	-
Working capital	-	-	-	41,814
Unrestricted	2,150,396	355,746	2,506,142	283,346
<b>Total net position</b>	<b>\$ 3,358,076</b>	<b>\$ 2,601,522</b>	<b>\$ 5,959,598</b>	<b>\$ 453,328</b>

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

**Town of Roseboro, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Unit ABC Board
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental Activities:								
General government	\$ 334,270	\$ 2,765	\$ 68,333	\$ -	\$ (263,172)	\$ -	\$ (263,172)	\$ -
Public safety	383,700	3,785	316,856	-	(63,059)	-	(63,059)	-
Transportation	160,794	-	37,812	-	(122,982)	-	(122,982)	-
Economic development	-	6,106	-	-	6,106	-	6,106	-
Environmental protection	337,769	101,278	7,165	-	(229,326)	-	(229,326)	-
Culture and recreation	19,893	-	-	-	(19,893)	-	(19,893)	-
Interest on long-term debt	724	-	-	-	(724)	-	(724)	-
Total governmental activities	1,237,150	113,934	430,166	-	(693,050)	-	(693,050)	-
Business-type activities:								
Water and sewer	698,716	613,557	34,214	30,000	-	(20,945)	(20,945)	-
Depot rental property	2,350	7,800	-	-	-	5,450	5,450	-
Total business-type activities	701,066	621,357	34,214	30,000	-	(15,495)	(15,495)	-
Total primary government	1,938,216	735,291	464,380	30,000	(693,050)	(15,495)	(708,545)	-
Component unit:								
ABC Board	1,098,233	1,149,029	-	-	-	-	-	71,938
Total component unit	\$ 1,098,233	\$ 1,149,029	\$ -	\$ -	-	-	-	71,938
General revenues:								
Taxes:								
Property taxes, levied for general purpose					553,842	-	553,842	-
Unrestricted intergovernmental					516,866	-	516,866	-
Other taxes					7,841	-	7,841	-
Other general revenues					23,430	3,988	27,418	-
Investment earnings					962	61	1,023	1,133
Total general revenues not including transfers					1,102,941	4,049	1,106,990	1,133
Transfers					-	1,625	1,625	-
Total general revenues and transfers					1,102,941	5,674	1,108,615	1,133
Change in net position					409,891	(9,821)	400,070	73,071
Net position, beginning					2,948,185	2,611,343	5,559,528	380,257
Net position, ending					\$ 3,358,076	\$ 2,601,522	\$ 5,959,598	\$ 453,328

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

**Town of Roseboro, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<b>Major Funds</b>		<b>Total</b>	<b>Total</b>
	<b>General</b>	<b>Revolving</b>	<b>Non-Major</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Loan Fund</b>	<b>Funds</b>	<b>Funds</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 2,281,557	\$ -	\$ -	\$ 2,281,557
Taxes receivable, net	61,708	-	-	61,708
Accounts receivable, net	10,430	770	13	11,213
Due from other governments	100,650	-	-	100,650
Due from other funds	34,200	66,337	-	100,537
Restricted cash	-	244,338	-	244,338
<b>Total assets</b>	<b>2,488,545</b>	<b>311,445</b>	<b>13</b>	<b>2,800,003</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	15,173	20	-	15,193
Refundable deposits	550	-	-	550
Due to other funds	66,337	-	-	66,337
<b>Total liabilities</b>	<b>82,060</b>	<b>20</b>	<b>-</b>	<b>82,080</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Property taxes receivable	61,708	-	-	61,708
Prepaid taxes	8,940	-	-	8,940
<b>Total deferred inflows of resources</b>	<b>70,648</b>	<b>-</b>	<b>-</b>	<b>70,648</b>
<b><u>FUND BALANCES</u></b>				
Restricted:				
Stabilization by State Statute	145,280	-	-	145,280
Fire protection	229,395	-	-	229,395
Special revenue funds	-	311,425	13	311,438
Culture and recreation	13,094	-	-	13,094
Unassigned	1,948,068	-	-	1,948,068
<b>Total fund balances</b>	<b>2,335,837</b>	<b>311,425</b>	<b>13</b>	<b>2,647,275</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,488,545</b>	<b>\$ 311,445</b>	<b>\$ 13</b>	<b>\$ 2,800,003</b>

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

**Town of Roseboro, North Carolina**  
**Balance Sheet (continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

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

Total fund balances, governmental funds		\$	2,647,275
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.			
Gross capital assets at historical cost	\$	2,509,518	
Accumulated depreciation		<u>(1,984,629)</u>	524,889
Other long-term assets (accrued interest receivable from taxes and revolving loan notes receivable) and not available to pay for current-period expenditures and therefore are deferred in the funds			181,345
Deferred outflows of resources related to pensions are not reported in the funds			48,367
Earned revenues are considered deferred inflows of resources in fund statements			61,708
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds			
Gross long-term debt beginning		(48,704)	
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)		32,301	
Compensated absences		(8,043)	
Net pension liability		<u>(80,959)</u>	(105,405)
Other long-term liabilities (accrued interest) are not due and payable in the current period and therefore are not reported in the funds.			<u>(103)</u>
<b>Net position of governmental activities</b>		<b>\$</b>	<b><u><u>3,358,076</u></u></b>

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

**Town of Roseboro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<b>Major Funds</b>		<b>Total Non-Major Funds</b>	<b>Total</b>
	<b>General Fund</b>	<b>Revolving Loan Fund</b>		
<b>Revenues:</b>				
Ad valorem taxes	\$ 566,082	\$ -	\$ -	\$ 566,082
Other taxes and licenses	7,841	-	-	7,841
Unrestricted intergovernmental	528,368	-	-	528,368
Restricted intergovernmental	355,796	-	68,333	424,129
Permits and fees	6,550	-	-	6,550
Sales and services	107,690	-	-	107,690
Investment earnings	962	-	-	962
Miscellaneous	10,370	17,609	-	27,979
<b>Total revenues</b>	<b>1,583,659</b>	<b>17,609</b>	<b>68,333</b>	<b>1,669,601</b>
<b>Expenditures:</b>				
Current:				
General government	259,466	-	68,333	327,799
Public safety	379,545	-	-	379,545
Transportation	134,290	-	-	134,290
Environmental protection	350,694	-	-	350,694
Culture and recreation	12,459	-	-	12,459
Debt service:				
Principal	32,301	-	-	32,301
Interest and other charges	724	-	-	724
<b>Total expenditures</b>	<b>1,169,479</b>	<b>-</b>	<b>68,333</b>	<b>1,237,812</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>414,180</b>	<b>17,609</b>	<b>-</b>	<b>431,789</b>
<b>Other financing sources (uses)</b>				
Refunds and recoveries	1,875	-	-	1,875
<b>Total other financing sources (uses)</b>	<b>1,875</b>	<b>-</b>	<b>-</b>	<b>1,875</b>
<b>Net change in fund balances</b>	<b>416,055</b>	<b>17,609</b>	<b>-</b>	<b>433,664</b>
<b>Fund balances, beginning</b>	<b>1,919,782</b>	<b>293,816</b>	<b>13</b>	<b>2,213,611</b>
<b>Fund balances, ending</b>	<b>\$ 2,335,837</b>	<b>\$ 311,425</b>	<b>\$ 13</b>	<b>\$ 2,647,275</b>

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

**Town of Roseboro, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2021**

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

Net change in fund balances - total governmental funds		\$ 433,664
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures which were capitalized	\$ 70,118	
Depreciation expense for governmental assets	<u>(82,327)</u>	(12,209)
The issuance of revolving loans to local business owners consumes current financial resources of governmental funds, while the repayment of the principal balance of the loans provides current financial resources of governmental funds. Neither transaction has an effect on net assets. This is the amount by which new loans issued exceeded principal payments received.		
Principal payment received		(11,502)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		
		16,914
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		(12,240)
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 an effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 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	32,301	
Increase in compensated absences	(8,043)	
Increase in accrued interest payable	<u>(903)</u>	23,355
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension expense		<u>(28,091)</u>
<b>Total changes in net position of governmental activities</b>		<u><u>\$ 409,891</u></u>

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



**Town of Roseboro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund and Annually Budgeted Major Special Revenue Fund**  
**For the Year Ended June 30, 2021**

	<b>General Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 521,500	\$ 521,500	\$ 566,082	\$ 44,582
Other taxes and licenses	6,000	6,000	7,841	1,841
Unrestricted intergovernmental	376,000	376,000	528,368	152,368
Restricted intergovernmental	238,400	238,400	355,796	117,396
Permits and fees	800	4,800	6,550	1,750
Sales and services	96,400	92,400	107,690	15,290
Investment earnings	9,010	9,010	962	(8,048)
Miscellaneous	12,800	13,400	10,370	(3,030)
<b>Total revenues</b>	<u>1,260,910</u>	<u>1,261,510</u>	<u>1,583,659</u>	<u>322,149</u>
<b>Expenditures:</b>				
Current:				
General government	274,086	288,647	259,466	29,181
Public safety	477,070	477,070	379,545	97,525
Transportation	146,300	146,300	134,290	12,010
Environmental protection	348,670	376,670	350,694	25,976
Culture and recreation	36,700	27,739	12,459	15,280
Debt service:				
Principal retirement	32,305	32,305	32,301	4
Interest	725	725	724	1
<b>Total expenditures</b>	<u>1,315,856</u>	<u>1,349,456</u>	<u>1,169,479</u>	<u>179,976</u>
<b>Revenues over (under) expenditures</b>	<u>(54,946)</u>	<u>(87,946)</u>	<u>414,180</u>	<u>502,126</u>
<b>Other financing sources (uses):</b>				
Refunds and recoveries	-	-	1,875	1,875
Transfers from other funds	600	600	-	(600)
<b>Total other financing sources (uses)</b>	<u>600</u>	<u>600</u>	<u>1,875</u>	<u>1,275</u>
Fund balance appropriated	54,346	87,346	-	(87,346)
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>416,055</u>	<u>\$ 416,055</u>
<b>Fund balance, beginning</b>			<u>1,919,782</u>	
<b>Fund balance, ending</b>			<u>\$ 2,335,837</u>	

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

**Town of Roseboro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund and Annually Budgeted Major Special Revenue Fund (continued)**  
**For the Year Ended June 30, 2021**

	<b>Revolving Loan Fund</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Miscellaneous	\$ 5,649	\$ 5,649	\$ 17,609	\$ 11,960
<b>Total revenues</b>	<u>5,649</u>	<u>5,649</u>	<u>17,609</u>	<u>11,960</u>
<b>Expenditures:</b>				
Current:				
Environmental development	5,649	25,038	-	25,038
Contingency	-	5,611	-	5,611
<b>Total expenditures</b>	<u>5,649</u>	<u>30,649</u>	<u>-</u>	<u>30,649</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(25,000)</u>	<u>17,609</u>	<u>42,609</u>
Fund balance appropriated	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>17,609</u>	<u>\$ 17,609</u>
<b>Fund balance, beginning</b>			<u>293,816</u>	
<b>Fund balance, ending</b>			<u>\$ 311,425</u>	

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

**Town of Roseboro, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Major</b>	<b>Non-Major</b>	
	<b>Water and</b>	<b>Depot Rental</b>	
	<b>Sewer Fund</b>	<b>Property Fund</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 315,454	\$ 28,658	\$ 344,112
Accounts receivable (net)	74,423	-	74,423
Sales tax refund receivable	8,685	-	8,685
Restricted cash and cash equivalents	75,797	650	76,447
<b>Total current assets</b>	<b>474,359</b>	<b>29,308</b>	<b>503,667</b>
Non-current assets:			
Capital assets:			
Land and other non-depreciable assets	51,151	-	51,151
Other capital assets, net of depreciation	2,570,965	-	2,570,965
<b>Capital assets (net)</b>	<b>2,622,116</b>	<b>-</b>	<b>2,622,116</b>
<b>Total noncurrent assets</b>	<b>2,622,116</b>	<b>-</b>	<b>2,622,116</b>
<b>Total assets</b>	<b>3,096,475</b>	<b>29,308</b>	<b>3,125,783</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Contributions to pension plan	17,692	-	17,692
Pension deferrals	9,514	-	9,514
<b>Total deferred outflows of resources</b>	<b>27,206</b>	<b>-</b>	<b>27,206</b>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable and accrued liabilities	12,674	-	12,674
Unearned income	2,658	-	2,658
Due from other funds	34,200	-	34,200
Current portion of compensated absences	1,879	-	1,879
Current portion of long-term debt	90,075	-	90,075
Liabilities payable from restricted assets:			
Customer deposits	75,797	648	76,445
<b>Total current liabilities</b>	<b>217,283</b>	<b>648</b>	<b>217,931</b>
Noncurrent liabilities:			
Net pension liability	45,540	-	45,540
Noncurrent portion of compensated absences	1,731	-	1,731
Noncurrent portion of long-term debt	286,265	-	286,265
<b>Total noncurrent liabilities</b>	<b>333,536</b>	<b>-</b>	<b>333,536</b>
<b>Total liabilities</b>	<b>550,819</b>	<b>648</b>	<b>551,467</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	2,245,776	-	2,245,776
Unrestricted	327,086	28,660	355,746
<b>Total net position</b>	<b>\$ 2,572,862</b>	<b>\$ 28,660</b>	<b>\$ 2,601,522</b>

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

**Town of Roseboro, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Major</b>	<b>Non-Major</b>	
	<b>Water and</b>	<b>Depot Rental</b>	
	<b>Sewer Fund</b>	<b>Property Fund</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for sales and services	\$ 547,125	\$ -	\$ 547,125
Rental income	45,245	7,800	53,045
Penalties and fees	21,187	-	21,187
Other operating revenues	3,988	-	3,988
<b>Total operating revenues</b>	<b>617,545</b>	<b>7,800</b>	<b>625,345</b>
<b>Operating expenses:</b>			
Water and sewer administration	454,001	-	454,001
Water and sewer finance	52,605	-	52,605
Rental expenditures	-	2,350	2,350
Depreciation	179,690	-	179,690
<b>Total operating expenses</b>	<b>686,296</b>	<b>2,350</b>	<b>688,646</b>
<b>Operating income (loss)</b>	<b>(68,751)</b>	<b>5,450</b>	<b>(63,301)</b>
<b>Nonoperating revenues (expenses):</b>			
Investment earnings	61	-	61
Grant revenue	64,214	-	64,214
Interest and other charges	(12,420)	-	(12,420)
<b>Total nonoperating revenue (expenses)</b>	<b>51,855</b>	<b>-</b>	<b>51,855</b>
<b>Income (loss) before contributions and transfers</b>	<b>(16,896)</b>	<b>5,450</b>	<b>(11,446)</b>
Transfers in (out)	1,625	-	1,625
<b>Total contributions and transfers</b>	<b>1,625</b>	<b>-</b>	<b>1,625</b>
<b>Change in net position</b>	<b>(15,271)</b>	<b>5,450</b>	<b>(9,821)</b>
Net position, beginning	2,588,133	23,210	2,611,343
<b>Total net position, ending</b>	<b>\$ 2,572,862</b>	<b>\$ 28,660</b>	<b>\$ 2,601,522</b>

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

**Town of Roseboro, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Major Water and Sewer Fund</b>	<b>Non-Major Depot Rental Property Fund</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 569,974	\$ 7,800	\$ 577,774
Cash paid for goods and services	(318,308)	(2,350)	(320,658)
Cash paid to employees for services	(170,280)	-	(170,280)
Increase (decrease) in deposits	1,937	-	1,937
Other operating revenues	49,233	-	49,233
<b>Net cash provided (used) by operating activities</b>	<b>132,556</b>	<b>5,450</b>	<b>138,006</b>
<b>Cash flows from noncapital financing activities:</b>			
Decrease in due to other funds	(791)	-	(791)
Transfers from other funds	1,625	-	1,625
<b>Total cash flows provided (used) by noncapital financing activities</b>	<b>834</b>	<b>-</b>	<b>834</b>
<b>Cash flows from capital and related financing activities:</b>			
Capital contributions and grants	64,214	-	64,214
Principal paid on bonds and installment notes	(87,526)	-	(87,526)
Interest paid on bonds and installment notes	(12,420)	-	(12,420)
Acquisition and construction of capital assets	(23,442)	-	(23,442)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(59,174)</b>	<b>-</b>	<b>(59,174)</b>
<b>Cash flows from investing activities:</b>			
Investment earnings	61	-	61
<b>Net cash provided (used) by investing activities</b>	<b>61</b>	<b>-</b>	<b>61</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>74,277</b>	<b>5,450</b>	<b>79,727</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>316,974</b>	<b>23,858</b>	<b>340,832</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 391,251</b>	<b>\$ 29,308</b>	<b>\$ 420,559</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
<b>Operating income (loss)</b>	<b>\$ (68,751)</b>	<b>\$ 5,450</b>	<b>\$ (63,301)</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities :</b>			
Depreciation	179,690	-	179,690
Change in assets, deferred outflows of resources, and liabilities:			
(Increase) decrease in accounts receivable	1,662	-	1,662
Increase (decrease) in compensated absences	3,610	-	3,610
Increase (decrease) in accounts payable and accrued liabilities	6,607	-	6,607
Increase (decrease) in deposits	1,937	-	1,937
Increase (decrease) in unearned revenue	1,513	-	1,513
(Increase) decrease in deferred outflows of resources - pensions	(5,118)	-	(5,118)
Increase (decrease) in net pension liability	12,408	-	12,408
Increase (decrease) in deferred inflows of resources - pensions	(1,002)	-	(1,002)
<b>Total adjustments</b>	<b>201,307</b>	<b>-</b>	<b>201,307</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 132,556</b>	<b>\$ 5,450</b>	<b>\$ 138,006</b>

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 statement themselves. The notes supplement the financial statements, and are an integral part thereof, and are intended to be read in conjunction with the financial statements.

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A - Reporting Entity**

The Town of Roseboro is a municipal corporation that is governed by an elected mayor and a five-member Council. As required by generally accepted accounting principles, these financial statements include all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or are financially independent upon the Town.

**Town of Roseboro ABC Board**

The members of the ABC Board’s governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board, Highway 24, Roseboro, NC 28382.

**B - Basis of Presentation**

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods and 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 – government and proprietary – are presented. The town has no fiduciary funds to report. The emphasis of the 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 the exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

**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 construction, and sanitation services.

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B - Basis of Presentation - Fund Accounting (continued)**

**Revolving Loan Fund-** This fund is a special revenue fund used to account for the proceeds of specific revenue grants that are legally restricted to expenditures for economic development loans.

The Town reports the following non-major governmental funds:

**Helipad Capital Project Fund** - This fund is used to account for the construction of a helipad located within the Town.

**CARES Act Project Fund-** This fund is used to account for the administration of the Cares Act Grant.

The Town reports the following major enterprise fund:

**Water and Sewer Fund** - This fund is used to account for the Town's water and sewer operations. Two Water and Sewer Capital Project Funds, AIA Grant Project Fund and Northeast Railroad Street Sanitary Sewer Extension Project Fund, has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for both the Water and Sewer Capital Project Funds has been included in the supplemental information.

The Town reports the following non-major enterprise fund:

**Depot Rental Property Fund** – This fund is used to account for the rental activities of the old train depot property.

**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 the liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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



**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C - Measurement Focus and Basis of Accounting (continued)**

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad Valorem taxes receivable are not accrued as 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 utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered shared revenue for the Town of Roseboro because the tax is levied by Sampson County and then remitted to and distributed by the State. Most intergovernmental revenue and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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, the Revolving Loan Fund, and the Enterprise Funds. 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 object 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**

**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.

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

**1. Deposits and Investments (continued)**

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 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 banker's acceptances and the North Carolina Capital Management Trust (NCCMT).

The Town of Roseboro's investments with a 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 NCCMT Government Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2021, The Term Portfolios has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

In accordance with State law, the Town of Roseboro has invested in bank certificates of deposits with a maturity of less than one year. These investments are reported at fair value as determined by quoted market prices.

**2. Cash and Cash Equivalents**

The Town pools money from several 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.

**3. Restricted Assets**

The unexpended grant funds in the Revolving Loan Fund and the General Fund are restricted to the purpose for which the grants were issued. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4.

**Town of Roseboro's Restricted Cash**

Governmental Activities:

Revolving Loan Fund	
Economic development	\$ 244,338
Total Governmental activities	<u>244,338</u>

Business-type activities:

Water and Sewer Fund	
Customer deposits	75,797
Depot Rental Property Fund	
Customer deposits	650
Total business-type activities	<u>76,447</u>

Total restricted cash	<u><u>\$ 320,785</u></u>
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**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes 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 6th. These taxes are based on the assessed values as of January 1, 2020. 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 revenue is reported net of such discounts.

**5. Allowances for Doubtful Accounts**

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

**6. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain threshold and an estimated life in excess of one year. Minimum capitalization costs are \$2,500 for furniture and equipment, vehicles and building improvements and \$25,000 for infrastructure. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land improvements	20 – 25
Water and sewer systems	10-15
Machinery and equipment	3 - 10
Building	40
Infrastructure	40

Property, plant and equipment of the ABC Board are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land improvements	40
Office equipment	5
Equipment	5-10
Building	40

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

**7. 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 one item that meet this criterion – pension related deferrals for the 2021 fiscal year. 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 two items that meet the criteria for this category – property taxes receivable and pension related deferrals.

**8. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid 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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Compensated Absences**

The vacation policy of the Town provides for the accumulation of earned vacation leave with such leave being fully vested after six months of service. For the Town, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported.

The Town's sick leave policy provides for the accumulation of earned sick leave for an indefinite period. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**10. Net Position / Fund Balances**

**Net Position**

Net position in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; 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.

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

**10. Net Position / Fund Balances (continued)**

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

**Nonspendable Fund Balance** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There were no amounts classified as non-spendable fund balance at fiscal year end June 30, 2021.

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

*Restricted for Stabilization by State Statute* - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted fund balance on the face of the balance sheet.

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

*Restricted for Public Safety (fire protection)* – portion of fund balance that is available for appropriation but legally segregated for fire protection expenditures. This amount represents the balance of the total unexpended fire protection funds.

*Restricted for Special Revenue Funds* - portion of fund balance that is available for appropriation, but legally segregated for providing economic development loans. This amount represents the balance of the total unexpended economic development loan funds.

*Restricted for Culture and Recreation*- portion of fund balance that is restricted by revenue source for use by the main street and recreation committees. This amount represents the balance of the total unexpended funds raised by the committees.

**Committed Fund Balance** - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body. 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 to remove or revise the limitation.

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

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

Fund Balances (continued)

10. Net Position / Fund Balances (continued)

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

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

The Town of Roseboro 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-town funds, town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

11. Defined Benefit Cost-Sharing Plans

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

For purposes of measuring the net position expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized. When due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A - Noncompliance with North Carolina General Statutes**

None

**B - Deficit in Fund Balance or Net Position of Individual Funds**

None

**C - Excess of Expenditures over Appropriations**

None

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**A - Assets**

**1. Deposits**

All the deposits of the Town and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the Federal Deposit Insurance Coverage level are collateralized with securities held by the Town's agents in this unit's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the ABC Board, these deposits are considered to be held by the Town and the ABC Board. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, the ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and the ABC Board 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. The Town has no policy regarding custodial 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. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the Town's deposits had a carrying amount of \$1,757,092 and a bank balance of \$1,860,752. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The ABC Board's deposits had a carrying amount and bank balance of \$388,799. At June 30, 2021, the Town's petty cash amounted to \$100.

**2. Investments**

At June 30, 2021, the Town of Roseboro had \$1,189,561 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAA by Standard and Poor's. The Town has no policy regarding credit risk.

**3. Interest Rate Risk**

The Town has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's internal investment policy is to invest in money market funds and certificates of deposit with maturities of twelve months or less, along with the short-term portfolio of the NC Capital Management Trust.

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**A - Assets (continued)**

**4. Receivables - Allowance for Doubtful Accounts**

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2021 are net of the following allowance for doubtful accounts:

General fund:	
Taxes receivable	\$ 28,459
Total general fund	<u>28,459</u>
Enterprise Funds:	
Water and Sewer- Accounts receivable	1,509
Total Enterprise Funds	<u>1,509</u>
Total	<u>\$ 29,968</u>

**4. Capital Assets**

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 45,057	\$ 10,996	\$ -	\$ 56,053
Total capital assets not being depreciated	<u>45,057</u>	<u>10,996</u>	<u>-</u>	<u>56,053</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	580,422	1,716	-	582,138
Equipment	605,169	57,406	-	662,575
Vehicles	1,064,915	-	-	1,064,915
Infrastructure	143,837	-	-	143,837
Total capital assets being depreciated	<u>2,394,343</u>	<u>59,122</u>	<u>-</u>	<u>2,453,465</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	444,418	12,355	-	456,773
Equipment	449,813	32,035	-	481,848
Vehicles	962,438	34,341	-	996,779
Infrastructure	45,633	3,596	-	49,229
Total accumulated depreciation	<u>1,902,302</u>	<u>82,327</u>	<u>-</u>	<u>1,984,629</u>
Total capital assets being depreciated, net	<u>492,041</u>			<u>468,836</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 537,098</u>			<u>\$ 524,889</u>



**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**A - Assets (continued)**

**4. Capital Assets (continued)**

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

General government	\$ 8,824
Public safety	13,061
Environmental protection	53,008
Cultural and recreation	7,434
Total depreciation expense	<u>\$ 82,327</u>

Capital asset activity for the Proprietary Funds for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 51,151	\$ -	\$ -	\$ 51,151
Total capital assets not being depreciated	<u>51,151</u>	<u>-</u>	<u>-</u>	<u>51,151</u>
<b>Capital assets being depreciated:</b>				
Land improvements	10,200	-	-	10,200
Plant and distribution systems	6,224,171	-	-	6,224,171
Furniture and maintenance equipment	463,644	23,442	-	487,086
Vehicles	63,541	-	-	63,541
Total capital assets being depreciated	<u>6,761,556</u>	<u>23,442</u>	<u>-</u>	<u>6,784,998</u>
<b>Less accumulated depreciation for:</b>				
Land improvements	10,200	-	-	10,200
Plant and distribution systems	3,645,192	152,817	-	3,798,009
Furniture and maintenance equipment	315,410	26,873	-	342,283
Vehicles	63,541	-	-	63,541
Total accumulated depreciation	<u>4,034,343</u>	<u>179,690</u>	<u>-</u>	<u>4,214,033</u>
Total capital assets being depreciated, net	<u>2,727,213</u>			<u>2,570,965</u>
<b>Business-type capital assets, net</b>	<u><u>\$ 2,778,364</u></u>			<u><u>\$ 2,622,116</u></u>

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**A - Assets (continued)**

**4. Capital Assets (continued)**

Capital asset activity for the ABC Board for the year ended June 30, 2021, was as follows:

ABC Board activities:	Balances	Increases	Decreases	Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 15,368	\$ -	\$ -	\$ 15,368
Total capital assets not being depreciated	15,368	-	-	15,368
<b>Capital assets being depreciated:</b>				
Buildings and land improvements	74,485	90,852	-	165,337
Store equipment	85,573	-	-	85,573
Office furniture and equipment	14,916	-	-	14,916
Total capital assets being depreciated	174,974	90,852	-	265,826
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	66,439	1,990	-	68,429
Store equipment	65,169	5,066	-	70,235
Office furniture and equipment	14,020	342	-	14,362
Total accumulated depreciation	145,628	7,398	-	153,026
Total capital assets being depreciated, net	29,346			112,800
<b>ABC Board activity capital assets, net</b>	<b>\$ 44,714</b>			<b>\$ 128,168</b>

**B - Liabilities**

**1. Pension Plan and Postemployment Obligations**

**a. *Local Governmental Employees' Retirement System***

*Plan Description.* The Town of Roseboro is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation.

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

**1. Pension Plan and Postemployment Obligations (continued)**

***a. Local Governmental Employees' Retirement System (continued)***

Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters).

Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Roseboro employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Roseboro's contractually required contribution rate for the year ended June 30, 2021, was 9.70% of compensation for law enforcement officers and 8.95% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Roseboro were \$26,428 for the year ended June 30, 2021.

The Town has no covered-employees engaged in law enforcement as these services are contracted with Sampson County.

The ABC Board is required to contribute at an actuarially determined rate. For the ABC Board, the current rate for employees not engaged in law enforcement is 7.07% of annual covered payroll. The contribution requirements of members and of the ABC Board are established and may be amended by the North Carolina General Assembly. Contributions to the pension plan from the ABC Board were \$3,809 for the year ended June 30, 2021.

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

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

At June 30, 2021, the Town reported a liability of \$126,499 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.000354%, which was a decrease of 0.00017% from its proportion measured as of June 30, 2019.

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

**1. Pension Plan and Postemployment Obligations (continued)**

***a. Local Governmental Employees' Retirement System (continued)***

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

For the year ended June 30, 2021, the Town recognized pension expense of \$45,197. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 15,975	\$ -
Changes of assumptions	9,414	-
Net difference between projected and actual earnings on pension plan investments	17,802	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	5,954	-
Town contributions subsequent to the measurement date	26,428	-
Total	<u>\$ 75,573</u>	<u>\$ -</u>

\$26,428 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2022	\$ 14,984
2023	18,104
2024	10,787
2025	5,268
2026	-
Thereafter	-

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

1. Pension Plan and Postemployment Obligations (continued)

*a. Local Governmental Employees' Retirement System (continued)*

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

**1. Pension Plan and Postemployment Obligations (continued)**

***a. Local Governmental Employees' Retirement System (continued)***

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

	<b><u>1% Decrease (6.00%)</u></b>	<b><u>Discount Rate (7.00%)</u></b>	<b><u>1% Increase (8.00%)</u></b>
Town's proportionate share of the net pension liability (asset)	\$ 256,653	\$ 126,499	\$ 18,332

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

**2. Other Employment Benefits**

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

**3. Deferred Outflows and Inflows of Resources**

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Contributions to pension plan in current fiscal year	\$ 26,428
Differences between expected and actual experience	15,975
Changes of assumptions	9,414
Net difference between projected and actual	17,802
Changes in proportion and differences between employer contributions and proportionate share of contributions.	5,954
<b>Total</b>	<b><u>\$ 75,573</u></b>

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

3. Deferred Outflows and Inflows of Resources (continued)

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 8,940	\$ 8,940
Taxes Receivable, less penalties (General Fund)	-	61,708
<b>Total</b>	<b>\$ 8,940</b>	<b>\$ 70,648</b>

4. Risk Management

Town participates in two self-funded risk financing pools administered by the North Carolina League of Municipalities. These pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability, police professional's liability and public officials' liability in excess of \$1,000,000; property in excess of \$500,000 and \$1,000,000 up to statutory limits for workers' compensation. The Town has not acquired flood insurance. 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.

Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of 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. The public officials are bonded for \$75,000. The remaining employees that have access to funds are bonded under a blanket bond for \$1,000.

5. Claims, Judgments and Contingent Liabilities

At June 30, 2021, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town attorneys, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

6. Long-Term Obligations

a. Installment Purchase

Long-term obligations arising from notes payable as of June 30, 2021 consisted of the following:

*Governmental activities:*

Roseboro has a direct placement installment purchase contract with First Citizens Bank for a 2009 fire truck dated as of December 4, 2014. The contract bears interest at 2.15% and is payable in 84 monthly installments 2,759, commencing on January 4, 2015, with the final installment due on December 4, 2021. The installment contract is secured by the fire truck and refinanced a prior loan from USDA.

Annual debt service requirements to maturity for long-term obligations arising from installment purchase contracts are payable as follows:

Years Ending June 30:	Governmental Activities	
	Installment Purchases	
	Principal	Interest
2022	\$ 16,403	\$ 103
Total	\$ 16,403	\$ 103

**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

6. Long-Term Obligations (continued)

b. Installment Purchase (continued)

*Business type activities:*

The Town has a direct placement installment purchase contract with BB&T to pay costs of providing sanitary sewer facilities for the Town. The installment contract bears interest at 2.88% and is payable in forty (40) quarterly installments of \$24,967, beginning September 15, 2015. Proceeds of this contract were used to retire an \$870,500 General Obligation Bond held by USDA.

The following is an analysis of the assets recorded installment purchase at June 30, 2021:

Years Ending June 30:	<u>Business-type Activities</u>	
	<u>Installment purchases</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 90,075	\$ 9,872
2023	92,697	7,249
2024	95,395	4,551
2025	98,173	1,773
Total	<u>\$ 376,340</u>	<u>\$ 23,445</u>

e. Changes in Long-Term Liabilities

The following is a summary of changes in the Town's long-term obligations as of June 30, 2021.

	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion
<b>Governmental activities:</b>					
Direct placement installment purchases	\$ 48,704	\$ -	\$ 32,301	\$ 16,403	\$ 16,403
Compensated absences	-	10,329	2,286	8,043	2,286
Net pension obligation (LGRS)	58,919	22,040	-	80,959	-
Governmental activity long-term liabilities	<u>\$ 107,623</u>	<u>\$ 32,369</u>	<u>\$ 34,587</u>	<u>\$ 105,405</u>	<u>\$ 18,689</u>
 <b>Business-type activities:</b>					
Direct placement installment purchase	\$ 463,866	\$ -	\$ 87,526	\$ 376,340	\$ 90,075
Compensated absences	-	5,489	1,879	3,610	1,879
Net pension obligation (LGRS)	33,132	12,408	-	45,540	-
Business-type activity long-term liabilities	<u>\$ 496,998</u>	<u>\$ 17,897</u>	<u>\$ 89,405</u>	<u>\$ 425,490</u>	<u>\$ 91,954</u>

The General Fund provides the resources for the retirement of compensated absences payable. The Town's legal debt limit is 8.0% of the Town's assessed value of taxable property. The Town's legal debt margin as of June 30, 2021, amounts to approximately \$6,769,943.



**Town of Roseboro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**C - Interfund Balances and Activity**

	<b>Amount</b>
From Water and Sewer Fund to General Fund	\$ 34,200
From General Fund to Revolving Loan Fund	66,337
	<u>\$ 100,537</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

**D - Fund Balance**

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

<i>Total fund balance - General Fund</i>	\$ 2,335,837
Less:	
Stabilization by State Statute	145,280
Fire protection	229,395
Culture and recreation	13,094
<b>Remaining fund balance</b>	<b>\$ 1,948,068</b>

There were no outstanding encumbrances at June 30, 2021.

**NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Federal and State Assisted Programs**

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

**NOTE 5 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 12, 2021, which is the date the financial statements were available to be issued.

## Required Supplementary Financial Data

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**This section contains additional information required by generally accepted accounting principles.**

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- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System.
- Schedule of Contributions to Local Government Employees' Retirement System.

**Town of Roseboro, North Carolina**  
**Town of Roseboro's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Eight Fiscal Years\***

	<b>Local Government Employees' Retirement System</b>							
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Roseboro's proportionate share of the net pension liability (%)	0.00354%	0.00337%	0.00331%	0.00332%	0.00297%	0.00431%	0.00306%	0.00320%
Roseboro's proportionate share of the net pension liability (\$)	\$ 126,499	\$ 92,032	\$ 78,525	\$ 50,720	\$ 63,032	\$ 19,343	\$ (18,046)	\$ 38,572
Roseboro's covered payroll	\$ 250,973	\$ 252,749	\$ 259,116	\$ 232,934	\$ 195,034	\$ 200,607	\$ 196,028	\$ 196,028
Roseboro's proportionate share of the net pension liability as a percentage of its covered-employee payroll	50.40%	36.41%	30.30%	21.77%	32.32%	9.64%	-9.21%	19.68%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%	96.45%

**Town of Roseboro, North Carolina**  
**Town of Roseboro's Contributions**  
**Required Supplementary Information**  
**Last Eight Fiscal Years**

**Local Government Employees' Retirement System**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 26,428	\$ 22,738	\$ 19,917	\$ 19,745	\$ 17,074	\$ 13,184	\$ 14,183	\$ 13,859
Contributions in relation to the contractually required contribution	26,428	22,738	19,917	19,745	17,074	13,184	14,183	13,859
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Roseboro's covered-employee payroll	\$ 257,638	\$ 250,973	\$ 252,749	\$ 259,116	\$ 232,934	\$ 195,034	\$ 200,607	\$ 196,028
Contributions as a percentage of covered-employee payroll	10.26%	9.06%	7.88%	7.62%	7.33%	6.76%	7.07%	7.14%

## **Individual Fund Statements and Schedules**

## **Governmental Funds**

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

***Revolving Loan Fund*** – This fund is a special revenue fund used to account for the proceeds of specific revenue grants that are legally restricted to expenditures for economic development loans.

***Non-major Governmental Funds*** – Helipad Capital Project Fund is used to account for the construction of a helipad located within the town and the Cares Act Project Fund is used to account for the administration of the Cares Act Grant.

**Town of Roseboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
<b>Ad valorem taxes:</b>			
Taxes	\$	\$ 554,311	\$
Penalties and interest		11,771	
<b>Total</b>	<u>521,500</u>	<u>566,082</u>	<u>44,582</u>
<b>Other taxes and licenses:</b>			
Motor vehicle licenses		7,841	
<b>Total</b>	<u>6,000</u>	<u>7,841</u>	<u>1,841</u>
<b>Unrestricted intergovernmental:</b>			
Local options sales tax		280,039	
Hold harmless tax		91,512	
Telecommunications sales tax		7,180	
Utility franchise tax		69,918	
Piped natural gas tax		3,312	
Video franchise fee		6,238	
ABC profit distribution		65,333	
Beer and wine tax		4,836	
<b>Total</b>	<u>376,000</u>	<u>528,368</u>	<u>152,368</u>
<b>Restricted intergovernmental:</b>			
Powell bill allocation		37,812	
Coharie Fire District		302,121	
FEMA grant		7,165	
Other grants		7,835	
Solid waste disposal tax		863	
<b>Total</b>	<u>238,400</u>	<u>355,796</u>	<u>117,396</u>
<b>Permits and fees:</b>			
Zoning fees		2,765	
Fire Inspection fees		3,785	
<b>Total</b>	<u>4,800</u>	<u>6,550</u>	<u>1,750</u>
<b>Sales and services:</b>			
Garbage fees		84,175	
Fire department		6,900	
Mowing		375	
Cemetery		16,240	
<b>Total</b>	<u>92,400</u>	<u>107,690</u>	<u>15,290</u>
<b>Investment earnings</b>	<u>9,010</u>	<u>962</u>	<u>(8,048)</u>
<b>Other revenues:</b>			
In-kind contributions		7,555	
Miscellaneous		2,815	
<b>Total</b>	<u>13,400</u>	<u>10,370</u>	<u>(3,030)</u>
<b>Total revenues</b>	<u>\$ 1,261,510</u>	<u>\$ 1,583,659</u>	<u>\$ 322,149</u>

**Town of Roseboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (continued)**  
**For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
<b>Expenditures:</b>			
<b>General government:</b>			
<b>Governing body:</b>			
Salaries and employee benefits	\$	\$ 24,092	\$
Other operating expenses		74	
<b>Total</b>	<u>26,436</u>	<u>24,166</u>	<u>2,270</u>
<b>Administration:</b>			
Salaries and employee benefits		109,313	
Other operating expenditures		113,275	
Capital outlay		12,712	
<b>Total</b>	<u>262,211</u>	<u>235,300</u>	<u>26,911</u>
<b>Total general government</b>	<u>288,647</u>	<u>259,466</u>	<u>29,181</u>
<b>Public safety:</b>			
<b>Police department:</b>			
Other operating expenditures		252,826	
<b>Total</b>	<u>253,750</u>	<u>252,826</u>	<u>924</u>
<b>Fire:</b>			
Salaries and employee benefits		27,232	
Other operating expenditures		87,581	
Capital outlay		8,906	
<b>Total</b>	<u>220,320</u>	<u>123,719</u>	<u>96,601</u>
<b>Rescue Squad:</b>			
Other operating expenditures	3,000	3,000	-
<b>Total public safety</b>	<u>477,070</u>	<u>379,545</u>	<u>97,525</u>
<b>Transportation:</b>			
<b>Streets:</b>			
Other operating expenditures		134,290	
<b>Total transportation</b>	<u>146,300</u>	<u>134,290</u>	<u>12,010</u>
<b>Environmental protection:</b>			
<b>Central maintenance:</b>			
Salaries and employee benefits		132,174	
Other operating expenditures		69,185	
Capital outlay		48,500	
<b>Total</b>	<u>275,650</u>	<u>249,859</u>	<u>25,791</u>
<b>Sanitation:</b>			
Other operating expenditures		85,012	
<b>Total</b>	<u>85,020</u>	<u>85,012</u>	<u>8</u>
<b>Cemetery:</b>			
Other operating expenditures		15,823	
<b>Total</b>	<u>16,000</u>	<u>15,823</u>	<u>177</u>
<b>Total environmental protection</b>	<u>\$ 376,670</u>	<u>\$ 350,694</u>	<u>\$ 25,976</u>



**Town of Roseboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (continued)**  
**For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
<b>Cultural and recreational:</b>			
<b>Parks and recreation:</b>			
Other operating expenditures	\$	\$ 4,356	\$
<b>Total</b>	<u>19,355</u>	<u>4,356</u>	<u>14,999</u>
<b>Libraries:</b>			
Other operating expenditures		5,347	
<b>Total</b>	<u>5,384</u>	<u>5,347</u>	<u>37</u>
<b>Other contributions and donations:</b>			
Contributions to other programs		2,756	
<b>Total</b>	<u>3,000</u>	<u>2,756</u>	<u>244</u>
<b>Total cultural and recreational</b>	<u>27,739</u>	<u>12,459</u>	<u>15,280</u>
<b>Debt service:</b>			
Principal		32,301	
Interest		724	
<b>Total</b>	<u>33,030</u>	<u>33,025</u>	<u>5</u>
<b>Total expenditures</b>	<u>1,349,456</u>	<u>1,169,479</u>	<u>179,977</u>
<b>Revenues over (under) expenditures</b>	<u>(87,946)</u>	<u>414,180</u>	<u>502,126</u>
<b>Other financing sources (uses):</b>			
Transfer to CDBG Loan Agreement Fund	600	-	600
Refunds and recoveries	-	1,875	1,875
<b>Total other financing sources (uses)</b>	<u>600</u>	<u>1,875</u>	<u>1,275</u>
Fund balance appropriated	87,346	-	(87,346)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>416,055</u>	<u>\$ 416,055</u>
<b>Fund balances, beginning</b>		1,919,782	
<b>Fund balances, ending</b>		<u>\$ 2,335,837</u>	

**Town of Roseboro, North Carolina**  
**Special Revenue Fund - Revolving Loan Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Loan repayments- principal	\$	\$ 11,502	\$
Loan repayments- interest		6,107	
<b>Total revenues</b>	<u>14,347</u>	<u>17,609</u>	<u>3,262</u>
<b>Expenditures:</b>			
Economic and physical development:			
Program expenses		-	
<b>Total expenditures</b>	<u>14,347</u>	<u>-</u>	<u>14,347</u>
 <b>Revenues over (under) expenditures</b>	 \$ -	 17,609	 \$ 17,609
 <b>Fund balance, beginning</b>		 293,816	
<b>Fund balance, ending</b>		<u><u>\$ 311,425</u></u>	

**Town of Roseboro, North Carolina**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Helipad Capital Project Fund</b>	<b>CARES Act Project Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Accounts receivable	\$ 13	\$ -	\$ 13
<b>Total assets</b>	<u>13</u>	<u>-</u>	<u>13</u>
<b>Fund balances:</b>			
Restricted- Special Revenue Funds	13	-	13
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>13</u>
<b>Total liabilities and fund balances</b>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 13</u>

**Town of Roseboro, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Helipad Capital Project Fund</b>	<b>CARES Act Project Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Grant revenue	\$ -	\$ 68,333	\$ 68,333
<b>Total revenues</b>	<u>-</u>	<u>68,333</u>	<u>68,333</u>
<b>Expenditures:</b>			
Salaries and benefits	-	21,274	21,274
Other operating expenditures	-	47,059	47,059
<b>Total expendtiures</b>	<u>-</u>	<u>68,333</u>	<u>68,333</u>
<b>Revenues over (under) expenditures</b>	-	68,333	68,333
<b>Fund balances, beginning</b>	13	-	13
<b>Fund balances, ending</b>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 13</u>

**Town of Roseboro, North Carolina**  
**Helipad Capital Project Fund**  
**Changes in Fund Balance – Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>					
Donations	\$ 15,990	\$ 5,150	\$ -	\$ 5,150	\$ (10,840)
<b>Total revenues</b>	<u>15,990</u>	<u>5,150</u>	<u>-</u>	<u>5,150</u>	<u>(10,840)</u>
<b>Expenditures:</b>					
Public safety					
Asphalt and paving	8,600	8,600	-	8,600	-
Cement and finishing	6,400	6,365	-	6,365	35
Lights, wiring, and installation	11,100	11,055	-	11,055	45
Grading and other material	663	642	-	642	21
Painting and surface finishes	760	562	-	562	198
Windsock and pole	1,960	1,960	-	1,960	-
Other	11,560	11,191	-	11,191	369
<b>Total expenditures</b>	<u>41,043</u>	<u>40,375</u>	<u>-</u>	<u>40,375</u>	<u>668</u>
<b>Revenues over (under) expenditures</b>	<u>(25,053)</u>	<u>(35,225)</u>	<u>-</u>	<u>(35,225)</u>	<u>(10,172)</u>
<b>Other financing sources (uses):</b>					
Local commitment	25,053	35,238	-	35,238	10,185
<b>Total other financing sources (uses)</b>	<u>25,053</u>	<u>35,238</u>	<u>-</u>	<u>35,238</u>	<u>10,185</u>
<b>Revenues and other sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 13</u>	<u>-</u>	<u>\$ 13</u>	<u>\$ 13</u>
<b>Fund balance, beginning</b>			13		
<b>Fund balance, ending</b>			<u>\$ 13</u>		

**Town of Roseboro, North Carolina**  
**CARES Act Project Fund**  
**Changes in Fund Balance – Budget and Actual (Non-GAAP)**  
**From Inception and For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>					
CARES Act Grant	\$ 68,333	\$ -	\$ 68,333	\$ 68,333	\$ -
<b>Total revenues</b>	<u>68,333</u>	<u>-</u>	<u>68,333</u>	<u>68,333</u>	<u>-</u>
<b>Expenditures:</b>					
Salaries expenditures	21,274	-	21,274	21,274	-
Other operating expenditures	47,059	-	47,059	47,059	-
<b>Total expenditures</b>	<u>68,333</u>	<u>-</u>	<u>68,333</u>	<u>68,333</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balance, beginning</b>			<u>-</u>		
<b>Fund balance, ending</b>			<u>\$ -</u>		

## Enterprise Funds

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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***Water and Sewer Fund*** - This fund is used to account for the Town's water operations.

***Depot Rental Property Fund*** - This fund is used to account for the rental activities of the old train depot property.

**Town of Roseboro, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
<b>Operating revenues:</b>			
Charges for services	\$	\$ 547,125	\$
Penalties and fees		21,187	
Water tower rental		45,245	
Other operating revenues		3,988	
<b>Total</b>	<u>572,800</u>	<u>617,545</u>	<u>44,745</u>
<b>Non-operating revenues:</b>			
Interest income		61	
SEARCH grant		30,000	
FEMA reimbursement grant		34,214	
<b>Total</b>	<u>1,000</u>	<u>64,275</u>	<u>63,275</u>
<b>Total revenues</b>	<u>573,800</u>	<u>681,820</u>	<u>108,020</u>
<b>Expenditures:</b>			
<b>Water and sewer administration:</b>			
Salaries and employee benefits		118,182	
Contract services		45,661	
Repairs and maintenance		90,217	
Utilities		66,884	
Supplies		43,923	
Grant expenditures		30,000	
Other operating expenditures		49,237	
Capital outlay		23,442	
<b>Total</b>	<u>467,740</u>	<u>467,546</u>	<u>194</u>
<b>Finance:</b>			
Salaries and employee benefits		52,098	
Other operating expenditures		507	
<b>Total</b>	<u>52,980</u>	<u>52,605</u>	<u>375</u>
<b>Debt service:</b>			
Principal payments		87,526	
Interest		12,392	
<b>Total</b>	<u>99,950</u>	<u>99,918</u>	<u>32</u>
<b>Total expenditures</b>	<u>620,670</u>	<u>620,069</u>	<u>601</u>



**Town of Roseboro, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Non-GAAP) (continued)**  
**For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other financing sources (uses):</b>			
Transfer to other funds:			
General Fund	\$ -	\$ 1,625	
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,625</u>	<u>1,625</u>
 <b>Revenues over (under) expenditures</b>	 <u>\$ (46,870)</u>	 <u>\$ 63,376</u>	 <u>\$ 110,246</u>
 <b>Appropriated fund balance</b>	 46,870	 -	 (46,870)
 <b>Revenues, other financing sources (uses) over (under) expenditures</b>	 <u><u>\$ -</u></u>	 <u><u>\$ 63,376</u></u>	 <u><u>\$ 63,376</u></u>
 <b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
<b>Reconciling items:</b>			
Depreciation		(179,690)	
Capital outlay		23,442	
Decrease in interest expense accrual		(28)	
Principal payments		87,526	
Compensated absences		(3,610)	
Pension Expense		(15,801)	
Retirement contributions		9,514	
<b>Total reconciling items</b>		<u>(78,647)</u>	
 <b>Change in net position</b>		 <u><u>\$ (15,271)</u></u>	

**Town of Roseboro, North Carolina**  
**Depot Rental Property Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Fund Balance - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Operating revenues:</b>			
Rental income	\$	\$ 7,800	\$
<b>Total</b>	<u>7,800</u>	<u>7,800</u>	<u>-</u>
<b>Expenditures:</b>			
<b>Operating expenditures:</b>			
Repairs and maintenance		2,350	
<b>Total</b>	<u>7,800</u>	<u>2,350</u>	<u>5,450</u>
<b>Revenues, other financing sources (uses) over (under) expenditures</b>	<u>\$ -</u>	<u>5,450</u>	<u>\$ 5,450</u>
 <b>Change in net position</b>		 <u>\$ 5,450</u>	

**Town of Roseboro, North Carolina**  
**North East Railroad Street Sanitary Sewer Extension Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance- Budget and Actual (Non - GAAP)**  
**From Inception and for the Year Ended June 30, 2021**

	<b>Amended Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures:</b>					
Sewer extension project:					
Construction and contingency	\$ 91,499	\$ 89,874	\$ -	\$ 89,874	\$ 1,625
Engineering and surveying	8,200	8,200	-	8,200	-
Bidding/construction services	9,500	9,500	-	9,500	-
Land cost	2,000	2,000	-	2,000	-
<b>Total expenditures</b>	<b>111,199</b>	<b>109,574</b>	<b>-</b>	<b>109,574</b>	<b>1,625</b>
<b>Revenue over (under) expenditures</b>	<b>(111,199)</b>	<b>-</b>	<b>-</b>	<b>(109,574)</b>	<b>1,625</b>
<b>Other financing sources (uses):</b>					
Transfers from (to) General Fund	111,199	111,199	(1,625)	109,574	(1,625)
<b>Total</b>	<b>111,199</b>	<b>111,199</b>	<b>-</b>	<b>109,574</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 1,625</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund balance, beginning</b>			<b>1,625</b>		
<b>Fund balance, ending</b>			<b>\$ (3,250)</b>		

**Town of Roseboro, North Carolina**  
**AIA Grant Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance- Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2021**

	<b>Amended Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>					
Restricted intergovernmental	\$ 105,000	\$ 82,200	\$ 22,800	\$ 105,000	\$ -
<b>Total</b>	<u>105,000</u>	<u>82,200</u>	<u>22,800</u>	<u>105,000</u>	<u>-</u>
<b>Expenditures:</b>					
Relocation project:					
Consulting fee	105,000	85,886	22,800	108,686	(3,686)
Grant fee	-	1,575	-	1,575	(1,575)
<b>Total expenditures</b>	<u>105,000</u>	<u>87,461</u>	<u>22,800</u>	<u>110,261</u>	<u>(5,261)</u>
<b>Revenues over (under) expenditures</b>	-	(5,261)	-	(5,261)	(5,261)
<b>Other financing sources (uses):</b>					
Transfers from General Fund	-	5,261	-	5,261	5,261
<b>Total</b>	<u>-</u>	<u>5,261</u>	<u>-</u>	<u>5,261</u>	<u>5,261</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balance, beginning</b>			-		
<b>Fund balance, ending</b>			<u>\$ -</u>		

## Other Schedules

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**This section contains additional information on property taxes.**

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**Town of Roseboro, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2021**

<b><u>Fiscal Year</u></b>	<b><u>Uncollected Balances June 30, 2020</u></b>	<b><u>Additions</u></b>	<b><u>Collections and Credits</u></b>	<b><u>Uncollected Balances June 30, 2021</u></b>
2020-2021	\$ -	\$ 542,172	\$ 518,172	\$ 24,000
2019-2020	32,161	-	17,372	14,789
2018-2019	25,844	-	10,439	15,405
2017-2018	8,632	-	2,186	6,446
2016-2017	6,912	-	2,178	4,734
2015-2016	6,809	-	1,007	5,802
2014-2015	4,584	-	(184)	4,768
2013-2014	4,418	-	(157)	4,575
2012-2013	4,778	-	11	4,767
2011-2012	5,012	-	131	4,881
2010-2011	2,798		2,798	-
	<u>\$ 101,948</u>	<u>\$ 542,172</u>	<u>\$ 553,953</u>	<u>\$ 90,167</u>

Less: allowance for uncollectible accounts - General Fund (28,459)

**Ad valorem taxes receivable - net** \$ 61,708

**Reconciliation with revenues:**

Ad valorem taxes - General Fund	\$ 566,082
Penalties collected on ad valorem taxes	(7,886)
Reconciling items:	
Adjustments	3,398
Taxes written off	<u>245</u>
<b>Total collections and credits</b>	<u><u>\$ 561,839</u></u>

**Town of Roseboro, North Carolina**  
**Analysis of Current Year Tax Levy**  
**For the Year Ended June 30, 2021**

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original levy:</b>					
Property Tax	\$ 84,624,291	0.65	\$ 550,058	\$ 499,366	\$ 50,692
Total	<u>84,624,291</u>		<u>550,058</u>	<u>499,366</u>	<u>50,692</u>
<b>Penalties:</b>					
Current Year	-	0.65	(7,886)	(7,886)	-
Total	<u>-</u>		<u>(7,886)</u>	<u>(7,886)</u>	<u>-</u>
<b>Total property valuation</b>	<u><u>\$ 84,624,291</u></u>				
<b>Net levy</b>			542,172	491,480	50,692
<b>Uncollected taxes at June 30, 2021</b>			<u>24,000</u>	<u>24,000</u>	<u>-</u>
<b>Current year's taxes collected</b>			<u><u>\$ 518,172</u></u>	<u><u>\$ 467,480</u></u>	<u><u>\$ 50,692</u></u>
<b>Current levy collection percentage</b>			<u><u>95.57%</u></u>	<u><u>95.12%</u></u>	<u><u>100.00%</u></u>

## **Compliance Section**





# **S. Preston Douglas & Associates, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

## **MEMBERS**

American Institute of CPAs

N. C. Association of CPAs

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and  
Members of the Board of commissioners  
Roseboro, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Roseboro, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Roseboro's basic financial statements and have issued our report thereon dated October 12, 2021.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Roseboro's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Roseboro's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

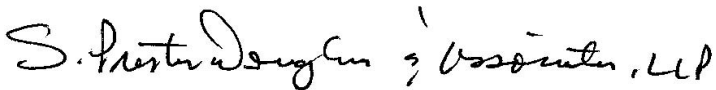
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. 2021-001.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Roseboro's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of S. Porter Douglas, Jr. in cursive script.

Lumberton, North Carolina  
October 12, 2021

**Town of Roseboro, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

<b>Section I. Summary of Auditor's Results</b>
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**Financial Statements**

Type of auditor's report issued:

Unmodified.

Internal control over financial reporting:

- |  |                      |     |                      |               |
|--|----------------------|-----|----------------------|---------------|
| • Material weakness(es) identified?  | _____                | yes | _____ <u>X</u> _____ | no            |
| • Significant deficiency(s) identified that are not considered to be material weaknesses | _____ <u>X</u> _____ | yes | _____                | none reported |
| • Noncompliance material to financial statements   | _____                | yes | _____ <u>X</u> _____ | no            |

# Town of Roseboro

**Mayor**  
Alice Butler

**Town Clerk**  
Janet Dunn

**Finance Officer**  
Annette Jackson



**Commissioners**  
Anthony Bennett  
*Mayor Pro-Tem*

Ray Clark Fisher

Mark Gupton

Cyndi Templin

Richard Barefoot

## Section II. Financial Statement Findings

### SIGNIFICANT DEFICIENCY

#### **Finding 2021 - 001      Segregation of Duties**

Criteria: Segregation of duties provide reasonable assurance that transactions are handled appropriately.

Condition: The Town has a limited number of personnel for accounting functions which creates inherent limitations on the effectiveness of certain controls due to the lack of segregation of duties among the Town's personnel.

Effect: Potential misstatement of financial statements

Cause: The Town has a limited number of personnel for accounting functions which creates inherent limitations on the effectiveness of certain controls due to the lack of segregation of duties among the Town's personnel.

Recommendation: The board should continually keep in mind that internal controls are limited due to the size of the Town's staff.

Views of responsible officials and planned corrective actions: The Town agrees with the finding.

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## Correction Action Plan

### SIGNIFICANT DEFICIENCY

#### **Finding 2021 - 001      Segregation of Duties**

Name of contact person: Annette Jackson, Finance Officer

Corrective Action: The Town agrees with the finding and will segregate duties as much as possible and alternative controls will be used to compensate for lack of segregation.

Proposed Completion Date: The Board will implement the above procedures as soon as possible.

**Town of Roseboro, North Carolina**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2021**

Finding: 2020-001 - Segregation of Duties  
Status: The board is continuing to improve its segregation of accounting duties and processes each fiscal year.

Finding: 2019-001 - Segregation of Duties  
Status: The board is continuing to improve its segregation of accounting duties and processes each fiscal year.

Finding: 2019-002 - Budget Violation  
Status: This finding has been corrected.