



# North Carolina Department of State Treasurer

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Memorandum #1001

**\*\*\*REVISED\*\*\***

September 16, 2003

To: Officers of All Local Governments and Auditors of Local Governments

From: T. Vance Holloman, Director  
Fiscal Management Section

Subject: Illustrative Financial Statements, Retirement Contribution Rates

The illustrative statements, both GASB 34 and non-34 versions, for Carolina County and the City of Dogwood are now available on the Department of State Treasurer's website. The pre GASB 34 statements that are linked under the "Audit Manual" section of the "Accounting and Reporting Resources" page are in Adobe Acrobat format. Each set of statements has been renumbered to integrate the changes made this year. They are formatted such that you can print each set on two-sided pages and the facing pages should display correctly (even pages are on the left and odd on the right). The Word and Excel files for these statements are located under the "Illustrative Statements" link on the "Auditing and Reporting Resources" page.

The GASB 34 illustrative statements can be found on the "GASB 34 Resources" page of our website. The "GASB 34 Audit Manual" links the statements in Adobe Acrobat format, and the "Illustrative Statements" link takes the user to the Word and Excel files for those same statements. Again, the Adobe files are formatted such that you can print them two-sided and the facing pages will display correctly.

Because of extensive formatting changes and repagination of the illustrative statement files, we are not issuing a page-by-page list of changes this year. If you are printing statements from the website, we urge you to print the entire set of statements for that particular entity type. Anyone wishing to order printed copies of these statements or other parts of the Audit Manual for Governmental Auditors should contact Margo Pope of our office at (919) 807-2382.

Some of the changes to the statements are as follows:

**GASB 34 Statements:**

Carolina County:

- ❖ Added a bond refunding in the current year
- ❖ Eliminated tax reimbursement revenues and added Article 44 sales tax revenue to accurately reflect revenue sources for North Carolina counties
- ❖ Added an equity interest joint venture

City of Dogwood:

- ❖ Added a permanent cemetery care fund
- ❖ As a result of addition of permanent fund, added combining non-major fund statements
- ❖ Added illustration of sale of an asset
- ❖ Eliminated outdated revenue sources and added Article 44 sales tax revenue

These statements once again are illustrating the first year of implementation. Look for an illustrative second-year MD&A soon. Other GASB 34 tools that have been added so far this year are illustrative templates for the government-wide statements for council of governments; illustrative note for units utilizing the three-year phase in of prior year infrastructure reporting; and an alternative format for the government-wide and fund statements for single-program governments with only governmental activities. The audit opinions have been updated as well for 2003. See the "GASB 34 Audit Manual" link under "GASB 34 Resources". Other items are being added regularly and we encourage you to check the website on a regular basis for new postings.

**Non GASB 34 Statements:**

Carolina County:

- ❖ Eliminated tax reimbursement revenues and added Article 44 sales tax revenue to accurately reflect revenue sources for North Carolina counties
- ❖ Removed notes on some school funding in an effort to streamline reporting

City of Dogwood:

- ❖ Eliminated outdated revenue sources and added Article 44 sales tax revenue

**Firemen's and Rescue Squad Workers' Pension Fund Contributions Made by the State**

The State's annual contribution per fireman and rescue worker to the Firemen's and Rescue Squad Workers' Pension Fund for the fiscal year ended June 30, 2003, was \$178 and \$197, respectively. This information is needed by units that report on-behalf payments for pension contributions made by the State to the Fund on behalf of the unit's eligible fire and rescue squad workers under GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. The monthly contribution per member is \$10.

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**Teachers' and State Employees' Retirement System Contribution Rates**

The funding rates, as a percentage of covered payroll, for post-employment benefits for members of the Teachers' and State Employees' Retirement System for the fiscal year ended June 30, 2003, are as follows:

Employer's retirement contribution	0.00%
Retirement health care benefits	2.35%
Death benefits	0.16%
Disability benefits	0.52%
Total	3.03%

The employer's total contribution of 3.03% should be disclosed in the Funding Policy section of the pension plan note disclosures. The other contribution rates should be disclosed individually in the *Post-Employment Benefits* section.

If you have any questions or comments regarding the illustrative statements, please contact Sharon Edmundson at [sharon.edmundson@treasurer.state.nc.us](mailto:sharon.edmundson@treasurer.state.nc.us) or at (919)807-2384.