

**FRANK P. STRATFORD**  
CERTIFIED PUBLIC ACCOUNTANT  
Rutherfordton, N. C.

August 19, 1930.

Mr. E. C. Marshall, President,  
Southern Public Utilities Company,  
Charlotte, North Carolina.

Dear Sir:

In accordance with your request, and through the courtesy and co-operation of the officials of the Town of Forest City in making available the data requested, I give you below the result of computations I have made for the purpose of determining to what extent the Town of Forest City would be financially benefitted by the sale of its utilities to Southern Public Utilities Company in accordance with the proposal of purchase made by your company. I believe my computations have been made upon sound principles and that the results shown below are conservative.

Assuming that the sale is consummated I make the following comparisons:

(a) On the one hand the Town would lose its present cash revenues from the utilities, which for the past three years have averaged the net sum of	\$15,634.00
(b) In addition to the above the Town would pay to Southern Public Utilities Company for service in connection with street lights, fire hydrants and flush tanks	11,902.00
(c) There would also be an additional expense, at regular rates, for light and water consumed at the City Hall and other extras, estimated at a maximum of	750.00
<b>MAKING A TOTAL OF</b>	<b>\$28,286.00</b>

(a) On the other hand the Town would receive \$415,000 from the sale, which, if applied to reduce the present bonded indebtedness, would effect a saving at 6 percent of	\$24,900.00
(b) The burden of depreciation on the water and light plants now carried by the Town would be shifted to the purchaser. This item reduced to dollars as follows: Water plant—Cost \$162,980 @ 2½ percent	\$4,074.00
Light plant—Cost \$ 58,065 @ 5 percent	2,903.00
(c) Town would realize taxes upon the properties when owned by the purchaser in an estimated minimum amount of	2,000.00
<b>MAKING A TOTAL OF</b>	<b>\$33,877.00</b>

(a) Thus it is seen that the Town would gain in one direction the sum of	\$33,877.00
(b) While it would lose in the other direction the sum of	28,286.00
<b>RESULTING IN A NET GAIN OF</b>	<b>\$ 5,591.00</b>

The above figures are presented upon an annual basis. The annual cash revenues were taken from the reports compiled by the auditors for the Town. The cost to the Town for service of street lights, etc., is based upon the number of such fixtures now in use as given me by the Town Treasurer multiplied by the rates per fixture named in the schedule of rates furnished by your company.

The depreciation is computed upon a cost value as appraised by Carolina Engineering Company, the Town's records not having been kept in a manner to reflect the costs.

The rates proposed to be charged by Southern Public Utilities Company to the users of water and electricity are as follows:

**FOR WATER:**

First	3,000 Gallons	\$1.00	Net
Next	3,000 Gallons	.25 per M Gallons	Net
Next	4,000 Gallons	.20 per M Gallons	Net
Next	990,000 Gallons	.14 per M Gallons	Net
All over	1,000,000 Gallons	.11 per M Gallons	Net

**FOR ELECTRICITY:—Lighting:**

First	25 KWH	\$.08	per KWH
Next	275 KWH	.07	per KWH
Next	300 KWH	.06	per KWH
Next	400 KWH	.048	per KWH
Next	1,000 KWH	.035	per KWH
Next	2,000 KWH	.03	per KWH
Over	4,000 KWH	.028	per KWH

Minimum \$1.00. Discount for payment in ten days, 5 percent on bills up to 100 KWH and 3 percent on bills over 100 KWH per month.

**Power:—**

First	50 KWH	\$.06	per KWH
Next	150 KWH	.045	per KWH
Next	200 KWH	.03	per KWH
Next	600 KWH	.026	per KWH
Next	1,000 KWH	.02	per KWH
Next	3,000 KWH	.018	per KWH
Next	4,000 KWH	.0165	per KWH
Next	10,000 KWH	.016	per KWH
Next	80,000 KWH	.014	per KWH
Next	50,000 KWH	.0135	per KWH
Next	100,000 KWH	.013	per KWH
Next	100,000 KWH	.0125	per KWH
Over	350,000 KWH	.012	per KWH

Minimum: \$1.00 per H. P. connected up to 25 H. P.  
.75 per H. P. connected from 26 up to 50 H. P.  
.50 per H. P. connected from 51 H. P. and over.  
Terms: Net in ten days.

Cooking, Heating, Refrigeration, etc. in consumer's home:

First	50 KWH	\$.04	per KWH
Next	50 KWH	.035	per KWH
Over	100 KWH	.03	per KWH

Minimum: \$2.00 per month. Terms: Net ten days.

Cooking, Heating, Refrigeration, etc., in restaurants or similar establishments:

First	50 KWH	\$.06	per KWH
Next	150 KWH	.045	per KWH
Next	200 KWH	.03	per KWH
Next	600 KWH	.026	per KWH
Next	1,000 KWH	.0235	per KWH

Rates for further consumption on file at City Hall.

Minimum same as for power. Terms: Net ten days.

The rates now in effect by the Town at which charges are made to users of water and electricity are as follows:

**FOR WATER:**

First	3,000 Gallons	\$1.00
Next	3,000 Gallons	.25 per M. Gallons
Next	4,000 Gallons	.20 per M Gallons
Over	10,000 Gallons	.15 per M Gallons
Industrial Rate		.15 per M Gallons

Minimum: \$1.00 per month. Terms: Net.

**FOR ELECTRICITY:—Lighting:**

First	25 KWH	\$.10	per KWH
Next	15 KWH	.07	per KWH
Next	25 KWH	.06	per KWH
Next	85 KWH	.05	per KWH
Next	150 KWH	.035	per KWH
Next	200 KWH	.0345	per KWH
Over	500 KWH at flat rate as follows:		
	500 to 1,000 KWH	.038	per KWH
	1,000 to 2,000 KWH	.034	per KWH
	2,000 to 3,000 KWH	.03	per KWH
	3,000 to 10,000 KWH	.025	per KWH
	Over 10,000 KWH	.0225	per KWH

Minimum: \$1.00 per month. Terms: Net.

**Power:**

First	50 KWH	\$.06	per KWH
Next	150 KWH	.045	per KWH
Next	200 KWH	.03	per KWH
Next	600 KWH	.026	per KWH
Next	1,000 KWH	.0235	per KWH
Next	1,000 KWH	.0225	per KWH
Next	2,000 KWH	.0210	per KWH
All over	5,000 KWH	.0190	per KWH

No Minimum. No Discount.

Cooking:—Flat rate of \$ .03 per KWH. Minimum \$2.25 per month.

Refrigerators:—Flat rate of \$ .035 per KWH. Minimum \$1.00 per month.

Respectfully,

**F. P. STRATFORD,**  
C. P. A.

**STATE EXPECTS SCHOOL ENROLLMENT OF 879,000**

Raleigh, Aug. 25.—Approximately 613,000 white and 266,000 negro children, a total of 879,000 children are expected to be enrolled in the public schools of North Carolina when the registration for the session of 1930-31 is completed this fall, according to estimates made in the office of A. T. Allen, State Superintendent of Public Instruction, based on the enrollment and rate of increase for previous years.

Public schools have already opened in many of the western counties in order that those running only six months may complete the term before the Christmas holidays and before the winter weather prevails. Most schools in the State, however, open their doors during the month of September, operating one-half of the session before Christmas.

The estimates made in the office of the State Superintendent further indicate that approximately 100,000 of the 879,000 will be beginners making their appearance for the first time, and that 125,000 of the number will be enrolled in the high school grades. During 1928-29 there were 96,739 white boys and girls and 13,236 negro children, a total of 109,975 enrolled in the public high schools. The estimate for 1930-

31 is that there should be an increase of about 15,000 in the high schools within two years.

Nearly 30,000 boys and girls will enter high school for the first time during the next year, since approximately 15,000 students graduated from high school last spring. The enrollment in the elementary schools will be approximately 500,000, or identical that of the past few years, since the increase in high school enrollment practically absorbs the increase in the total enrollment.

**DARKNESS CLOSES DECIDING GAME OF SEMI-PRO SERIES**

**Cross Mill And Forest City Battle 14 Innings To Deadlock.**

Central High Park, Spindale, Sept. 1.—Darkness put an end to one of the most thrilling ball games ever played in Spindale here Saturday with Cross Mill and Forest City deadlocked at eight-all at the end of the 14th inning. This was the fifth and was to have been the deciding game of a five game series to determine the championship of Western North Carolina semi-pro ball. Both teams entered the game Saturday with two victories and two losses to their credit.

Both pitchers, Fowler, for Forest City, and Jones for Cross Mill hurled great ball at times, Fowler having three bad innings, and Jones two. Each was touched for 13 hits, while Fowler whiffed 17 to 13 by Jones. Cross Mill went into the lead in the first, lost it in the second, and tied it in the eighth on pinch hitter Brannon's single. Each team scored three in the 10th, Forest City getting theirs on Ingle's long home runs with two aboard. Cross Mill got theirs on four bunched hits and a base on balls.

Cross and Hawn, opposing second basemen, came up with plays that saved the game several times, while Heavener in center field starred for Cross Mill, Ingle led the hitting for Forest City with four safeties, while Lee and R. Jones had three hits each for Cross Mill.

Cross M. 200 010 020 300 00—8 13 4  
F. City 130 000 100 300 00—8 13 4  
R. Jones and C. Murray; Fowler, and Harrill, Umpire, Hanna.

The series opened Tuesday, of last week, with Forest City playing at Marion. The first game resulted in a score of 10 to 1 in favor of Marion. Forest City won the second game Wednesday at Forest City.

Pasting the offerings of Berry and Norton to all corners of the lot, Forest City took Thursday's game, played here, by a score of 7-2. On Thursday Berry, starting pitcher for the visitors, was touched for eight hits and six runs before he gave way to Norton in the fifth. Norton pitched creditable ball, only allowing one run and four hits in the four innings he pitched.

McKeithan with four hits led the attack of the locals, while Harrill, and Branch followed with two each. Friday hit his second circuit smash in two days, in the second inning. Andy Ferguson, starting moundsman for Forest City pitched nicely for the first four innings but found trouble locating the plate in the fifth and retired in favor of Collins, who allowed only five hits for the remainder of the game. Heavener was the only visitor to secure more than one hit, he having two hits in addition

to two spectacular catches in center field.

Friday's game was won by Marion, giving each of the contending clubs two wins and two losses.

With the teams tied, much interest was shown in the outcome. Two thousand or more people flocked to the Central High baseball field Saturday afternoon to witness the fifth game. After a hectic fourteen inning game the game was called on account of darkness.

To date no arrangements have been made to play off the tie.

**McDOWELL'S TAX RATE GOES UP**

The tax rate of McDowell county for this year will be \$1.35 as compared to \$1.24 last year. The 11c increase is due to a decrease in the property valuation, costs of strikes to the county in trials, etc., improved roads, schools and other improvements, it is reported.

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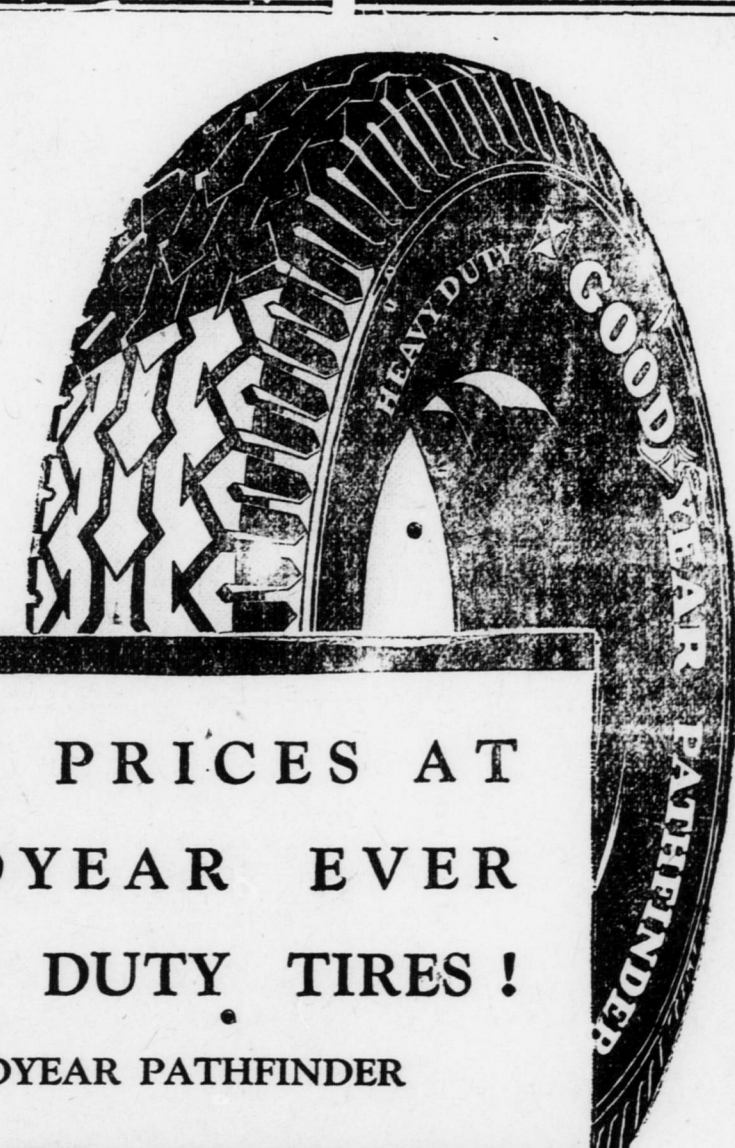
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