

**Town of Boardman
Boardman, North Carolina**

Audited Financial Statements

Year Ended June 30, 2019

Town of Boardman, North Carolina
Audited Financial Statements
For the Fiscal Year Ended June 30, 2019

Mayor

Randy Williamson

Town Council

Tevis Britt

James Smith

Eric Williamson

Minnie Turbeville

Crystal Rogers

Administrative

Crystal Wilkerson, Town Clerk

Carolyn Sealey, Finance Officer

Al Leonard, Town Planner

William Phipps, Sr., Town Attorney

Town of Boardman, North Carolina
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 June 30, 2019

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Financial Section

S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited 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 Boardman, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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, and each major fund of the Town of Boardman, North Carolina as of June 30, 2019, 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 to be presented to supplement the basic financial statements. 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 Boardman North Carolina. The combining and individual fund statements, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and 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.

S. Preston Douglas & Associates, LLP

Whiteville, North Carolina

February 28, 2020

Management Discussion and Analysis

Town of Boardman, North Carolina
Management's Discussion and Analysis
June 30, 2019

As management of the Town of Boardman, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Boardman for the fiscal year ending June 30, 2019. 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.

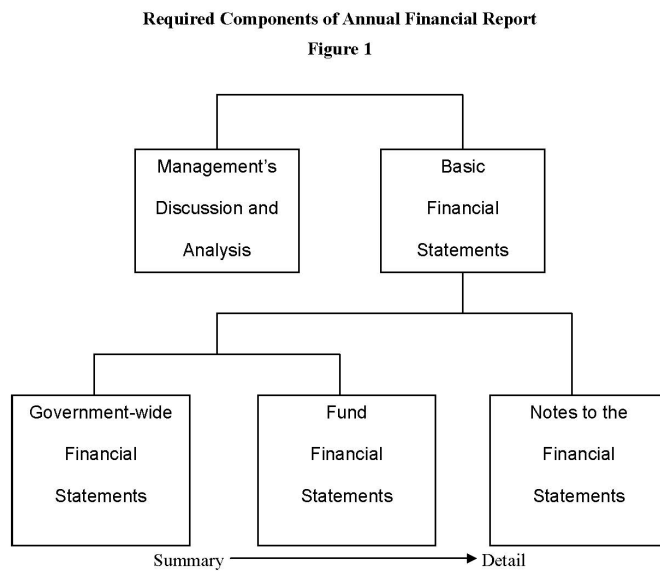
The MD&A is an opportunity for management to proactively address any issues that might be affecting the unit's financial status or questions that might be posed by readers of the financial statements. A thoughtful discussion and analysis of economic, financial, or budgetary factors that might influence the unit should be presented.

Financial Highlights

- The assets of the Town of Boardman exceeded its liabilities at the close of the fiscal year by \$1,422,641 (net position).
- As of the close of the fiscal year, the Town's governmental fund reported ending fund balance of \$51,076. Approximately 51.94% of this total amount, or \$26,531, is unassigned.
- At the end of the current fiscal year, the Town's net position decreased by \$111,937, with a \$1,205 decrease in governmental activities and a \$110,732 decrease in business-type activities. This is primarily due to expenditures of a prior year grant and the depreciation of the water and sewer infrastructure.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Boardman'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 Boardman.



Town of Boardman, North Carolina
Management's Discussion and Analysis (continued)
June 30, 2019

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**. The notes explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

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

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and total liabilities. 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, 2) business-type activities. The governmental activities include most of the Town's basic services such as general government and general administration. 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 Boardman.

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 Boardman, 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 those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and 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 Boardman adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities.

Town of Boardman, North Carolina
Management's Discussion and Analysis (continued)
June 30, 2019

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 Boardman maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town 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 Fund.

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 page 19 of this report.

Interdependence with Other Entities - The Town depends on financial resources flowing from, or associated with, both the federal government: and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

The Town of Boardman's Net Position
Figure 2

	Governmental Activities 2019	Governmental Activities 2018	Business-type Activities 2019	Business-type Activities 2018	Totals 2019	Totals 2018
Current and other assets	\$ 52,153	\$ 52,639	\$ 98,371	\$ 137,459	\$ 150,524	\$ 190,098
Capital assets	88,352	90,110	1,184,413	1,256,057	1,272,765	1,346,167
Total assets	140,505	142,749	1,282,784	1,393,516	1,423,289	1,536,265
Current liabilities	648	1,687	-	-	648	1,687
Total liabilities	648	1,687	-	-	648	1,687
Net position						
Net investment in						
capital assets	88,352	90,110	1,184,413	1,256,057	1,272,765	1,346,167
Restricted	24,545	25,286	8,690	53,300	33,235	78,586
Unrestricted	26,960	25,666	89,681	84,159	116,641	109,825
Total net position	\$ 139,857	\$ 141,062	\$ 1,282,784	\$ 1,393,516	\$ 1,422,641	\$ 1,534,578

Town of Boardman, North Carolina
Management's Discussion and Analysis (continued)
June 30, 2019

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 of the Town exceeded liabilities by \$1,422,641 at the close of the current fiscal year. By far the largest portion of the Town's net position, 89.46%, 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, \$33,235 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 \$116,641, or 8.19%, of the total.

Town of Boardman's Changes in Net Position
Figure 3

	Governmental Activities 2019	Governmental Activities 2018	Business-Type Activities 2019	Business-Type Activities 2018	Totals 2019	Totals 2018
Program Revenues						
Charges for services	\$ -	\$ -	\$ 41,718	\$ 37,924	\$ 41,718	\$ 37,924
Capital grants/contributions	3,772	3,888	-	53,300	3,772	57,188
General revenues					-	-
Property taxes	2,616	3,084	-	-	2,616	3,084
Other taxes	42,012	42,207	-	-	42,012	42,207
Grants and contributions not restricted	-	-	-	-	-	-
Other	3,396	789	-	-	3,396	789
Total revenues	51,796	49,968	41,718	91,224	93,514	141,192
Expenses:						
Governing body	8,935	6,055	-	-	8,935	6,055
Administration	39,088	28,585	-	-	39,088	28,585
Street department	4,978	5,340	-	-	4,978	5,340
Water and Sewer	-	-	152,450	104,843	152,450	104,843
Total expenses	53,001	39,980	152,450	104,843	205,451	144,823
Change in net position	(1,205)	9,988	(110,732)	(13,619)	(111,937)	(3,631)
Net position, beginning	141,062	131,074	1,393,516	1,407,135	1,534,578	1,538,209
Net position, ending	\$ 139,857	\$ 141,062	\$ 1,282,784	\$ 1,393,516	\$ 1,422,641	\$ 1,534,578

Town of Boardman, North Carolina
Management's Discussion and Analysis (continued)
June 30, 2019

Government-Wide Financial Analysis (continued)

Governmental activities decreased the Town's net position by \$1,205. The key element of this decrease is due to government expenditures of a prior year grant.

Business-type activities. Business-type activities decreased the Town's net position by \$110,732. The key element of this decrease is the depreciation of the water and sewer infrastructure.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Boardman 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.

The General Fund is the principal operating fund of the Town of Boardman. At the end of the fiscal year, unassigned fund balance for the general fund was \$26,531 with a total fund balance of \$51,076. 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 51.77% of total General Fund expenditures, while total fund balance represents 101.78% of the same amount.

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 become necessary to maintain services and obligations from prior years not completed.

Expenses were less than the budgeted amounts in the current year. This is reflective of the increased efforts of management to control expenditures.

Proprietary Funds. The Town of Boardman'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 Fund at the end of the fiscal year amounted to \$89,681. The total change in net position for the Water and Sewer Fund was a decrease of \$110,732. Other factors concerning this fund have been discussed in the Town's business-type activities.

**Town of Boardman, North Carolina
Management's Discussion and Analysis (continued)
June 30, 2019**

Capital Assets and Debt Administration

Capital assets. The Town of Boardman's investments in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$1,184,413 (net of accumulated depreciation). The investments in capital assets includes land, buildings, improvements, equipment, infrastructure (including distribution systems).

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

	Governmental Activities		Business -type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 10,215	\$ 10,215	\$ -	\$ -	\$ 10,215	\$ 10,215
Construction in progress	-	-	-	-	-	-
Buildings & Improvements	77,341	78,987	268,179	276,714	345,520	355,701
Plant and distribution	-	-	916,234	979,343	916,234	979,343
Equipment	796	908	-	-	796	908
Total capital assets, net	\$ 88,352	\$ 90,110	\$ 1,184,413	\$ 1,256,057	\$ 1,272,765	\$ 1,346,167

Additional information on the Town's capital assets can be found in the notes on page 27 of this report.

Long-term debt. As of June 30, 2019, the Town of Boardman had no long-term debt.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: Grant monies are expected to continue to be received from the North Carolina Department of Transportation for Street Aid (Powell Bill). Expenditures related to street repairs should remain similar to those experienced in prior years.

Business-type Activities: Water and sewer rates are expected to remain at the current rate in the next year.

The Town received a grant from the Golden Leaf Foundation to be used for repairs to the infrastructure of the water main. Funding is expected to continue in phases as the repairs are completed.

Request for Information

This financial report is designed to provide a general overview of the Town of Boardman'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 Finance Officer, Town of Boardman; Post Office Box 87; Evergreen, NC 28438.

Basic Financial Statements

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 24,052	\$ 86,337	\$ 110,389
Taxes receivables, net	429	-	429
Accounts receivable	-	3,344	3,344
Due from other governments	3,127	-	3,127
Restricted cash and cash equivalents	24,545	8,690	33,235
Total current assets	52,153	98,371	150,524
Non-current assets:			
Capital assets (Note 3):			
Land and non-depreciable improvements	10,215	-	10,215
Other capital assets, net of depreciation	78,137	1,184,413	1,262,550
Total capital assets	88,352	1,184,413	1,272,765
Total assets	140,505	1,282,784	1,423,289
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	648	-	648
Total current liabilities	648	-	648
NET POSITION			
Net investment in capital assets	88,352	1,184,413	1,272,765
Restricted for:			
Stabilization by State Statute	3,127	-	3,127
Transportation - Powell Bill	19,473	-	19,473
Speacial Appropriation	1,945	-	1,945
Golden Leaf Foundation Grant	-	8,690	8,690
Unrestricted	26,960	89,681	116,641
Total net position	\$ 139,857	\$ 1,282,784	\$ 1,422,641

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental Activities:							
Governing body	\$ 8,933	\$ -	\$ -	\$ -	\$ (8,933)	\$ -	\$ (8,933)
Administraton/Finance	39,088	-	-	-	(39,088)	-	(39,088)
Transportation	4,978	-	-	3,772	(1,206)	-	(1,206)
Total governmental activities	<u>52,999</u>	<u>-</u>	<u>-</u>	<u>3,772</u>	<u>(49,227)</u>	<u>-</u>	<u>(49,227)</u>
Business-type activities:							
Water and sewer	152,450	41,718	-	-	-	(110,732)	(110,732)
Total business-type activities	<u>152,450</u>	<u>41,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,732)</u>	<u>(110,732)</u>
Total primary government	<u>\$ 205,449</u>	<u>\$ 41,718</u>	<u>\$ -</u>	<u>\$ 3,772</u>	<u>(49,227)</u>	<u>(110,732)</u>	<u>(159,959)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,614	-	2,614
Other taxes					42,012	-	42,012
Investment earnings, unrestricted					71	-	71
Miscellaneous, unrestricted					3,325	-	3,325
Total general revenues not including transfers					<u>48,022</u>	<u>-</u>	<u>48,022</u>
Transfers					-	-	-
Total general revenues and transfers					<u>48,022</u>	<u>-</u>	<u>48,022</u>
Change in net position					<u>(1,205)</u>	<u>(110,732)</u>	<u>(111,937)</u>
Net position, beginning					<u>141,062</u>	<u>1,393,516</u>	<u>1,534,578</u>
Net position, ending					<u>\$ 139,857</u>	<u>\$ 1,282,784</u>	<u>\$ 1,422,641</u>

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

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

	Major Fund	Total
	General	Governmental
		Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 24,052	\$ 24,052
Restricted cash and cash equivalents	24,545	24,545
Taxes receivables, net	429	429
Due from other governments	3,127	3,127
Total assets	52,153	52,153
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	648	648
Total liabilities	648	648
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Property taxes receivable	429	429
Total deferred inflows of resources	429	429
<u>FUND BALANCES</u>		
Restricted		
Stabilization by State Statute	3,127	3,127
Transportation - Powell Bill	19,473	19,473
Special Appropriation	1,945	
Unassigned	26,531	26,531
Total fund balances	51,076	51,076
Total liabilities, deferred inflows of resources and fund balances	\$ 52,153	

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

Town of Boardman, North Carolina
Balance Sheet
Governmental Funds (continued)
June 30, 2019

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

Total Fund Balance, Governmental Funds	\$		51,076
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.			
Gross capital assets at historical cost	\$	93,616	
Accumulated depreciation		<u>(5,264)</u>	88,352
Other long-term assets (accrued interest receivable from taxes) are not available to pay current period expenditures and therefore are inflows of resources in the funds.			
			-
Earned revenues considered deferred inflows of resources in fund statements			
			<u>429</u>
Net position of governmental activities			<u><u>\$ 139,857</u></u>

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

Town of Boardman, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	Major Fund	Total
	General	Governmental
		Funds
Revenues:		
Ad valorem taxes	\$ 3,454	\$ 3,454
Unrestricted intergovernmental	45,337	45,337
Restricted intergovernmental	3,772	3,772
Investment earnings	71	71
Total revenues	52,634	52,634
Expenditures:		
Current:		
Governing board	8,933	8,933
Administration/Finance	37,330	37,330
Streets	4,978	4,978
Capital outlay	-	-
Total expenditures	51,241	51,241
Excess (deficiency) of revenues over expenditures	1,393	1,393
Other financing sources (uses)		
Transfers from (to) other funds	-	-
Loan proceeds	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	1,393	1,393
Fund balances, beginning	49,683	49,683
Fund balances, ending	\$ 51,076	\$ 51,076

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

Town of Boardman, 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, 2019

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

Net change in fund balances - total governmental funds	\$	1,393
<p>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.</p>		
Capital outlay expenditures which were capitalized	\$ -	
Depreciation expense for governmental assets	<u>(1,758)</u>	(1,758)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue for tax revenues		<u>(840)</u>
Total changes in net position of governmental activities	\$	<u><u>(1,205)</u></u>

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 3,000	\$ 3,000	\$ 3,454	\$ 454
Unrestricted intergovernmental	38,977	38,977	45,337	6,360
Restricted intergovernmental	4,000	4,000	3,772	(228)
Investment earnings	200	200	71	(129)
Total revenues	<u>46,177</u>	<u>46,177</u>	<u>52,634</u>	<u>6,457</u>
Expenditures:				
Current:				
Governing body	8,125	9,600	8,933	667
Administration/finance	32,552	44,577	37,330	7,247
Streets	5,500	5,500	4,978	522
Total expenditures	<u>46,177</u>	<u>59,677</u>	<u>51,241</u>	<u>8,436</u>
Revenues over (under) expenditures	<u>-</u>	<u>(13,500)</u>	<u>1,393</u>	<u>(12,107)</u>
Other financing sources (uses):				
Transfers from (to) other funds	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance appropriated	<u>-</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,393</u>	<u>\$ 1,393</u>
Fund balance, beginning			49,683	
Fund balance, ending			<u>\$ 51,076</u>	

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

Town of Boardman North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2019

	Water & Sewer Fund
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 95,027
Accounts receivable, net	3,344
Total current assets	98,371
Noncurrent assets:	
Capital assets:	
Other capital assets, net of depreciation	1,184,413
Total noncurrent assets	1,184,413
Total assets	\$ 1,282,784
 <u>NET POSITION</u>	
Net investment in capital assets	1,184,413
Restricted	8,690
Unrestricted	89,681
Total net position	\$ 1,282,784

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

Town of Boardman, North Carolina
Statement of Revenue, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2019

	Water & Sewer Fund
Operating revenues:	
Water charges	\$ 18,013
Sewer charges	23,705
Total operating revenues	41,718
Operating expenses:	
Water:	
Administration	210
Other operating expenses	57,872
Sewer:	
Other operating expenses	22,723
Depreciation	71,645
Total operating expenses	152,450
Operating income (loss)	(110,732)
Nonoperating revenues (expenses)	
Interest and other charges	-
Total nonoperating revenues	-
Income (loss) before transfers	(110,732)
Transfers to general fund	-
Change in net position	(110,732)
Total net position, beginning	1,393,516
Total net position, ending	\$ 1,282,784

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

Town of Boardman, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	Water & Sewer Fund
Cash flows from operating activities	
Cash received from customers	\$ 41,718
Cash paid for goods and services	(80,805)
Net cash provided (used) by operating activities	(39,087)
Cash flows from capital and related financing activities	
Principal paid	-
Interest and fees paid	-
Grant Income	-
Net cash provided (used) by capital and related financing activities	-
Cash flows from investing activities	
Interest on investments	-
Net cash provided (used) by investing activities	-
Net increase (decrease) in cash	(39,087)
Cash and cash equivalents - beginning of year	134,114
Cash and cash equivalents - end of year	\$ 95,027
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (110,732)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities -	
Depreciation	71,645
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	-
Increase (decrease) in accounts payable and accrued liabilities	-
Total adjustments	71,645
Net cash provided (used) by operating activities	\$ (39,087)

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

Notes to the Financial Statements

Town of Boardman, North Carolina
Notes to the Financial Statements
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Boardman, 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 Boardman 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 present the Town. There are no discretely presented component units.

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 emphasis of the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

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 and investment earnings, result from non-exchange transactions or ancillary activities.

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B – Basis of Presentation - Fund Accounting (continued)

The Town reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. Primary Expenditures are for general government and street maintenance.

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

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 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.

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.

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C – Measurement Focus and Basis of Accounting (continued)

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 Boardman because the tax is levied by Columbus 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program 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, 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 and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the 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 to the original budget must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing 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 Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

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).

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. 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

Powell Bill funds are classified as restricted cash because it 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. The Special Appropriation funds are funds that were received through a state grant restricted to replenishing the office supplies and equipment of Town Hall after the flooding due to Hurricane Florence. The Golden Leaf Grant is restricted for the use of repairing and replacing water infrastructure damaged by natural disasters. Restricted cash at June 30, 2019 was \$30,108.

Town of Boardman's Restricted Cash

Governmental Activities	
General Fund	
Streets	\$ 19,473
Special Appropriation	1,945
Total Governmental Activities	<u>21,418</u>
Business-type Activities	
Water and Sewer Fund	
Golden Leaf Grant	8,690
Total Business-type Activities	<u>8,690</u>
Total Restricted Cash	<u>\$ 30,108</u>

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

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 6. These taxes are based on the assessed values as of January 1, 2018. 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. Allowance for Doubtful Accounts

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

6. Inventory and Prepaid Items

The Town has no inventory or prepaid items.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated life in excess of two years. Minimum capitalization costs of the Town's assets are \$500 for all items. 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 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>Estimated Useful Lives</u>
Buildings	50
Infrastructure	25
Equipment and Furniture	10

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town does not have any items that meets this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has one item that meet the criteria for this category – property taxes receivable.

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. Long-Term Obligations

The town has no long-term obligations.

10. Compensated Absences

The Town does not offer any vacation or sick leave to employees. Therefore, it has no compensated absences.

11. Net Position / Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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.

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.

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Net Position / Fund Balances (continued)

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

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.

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

The Town of Boardman does not have 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, and then 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Noncompliance with North Carolina General Statutes

None.

2. Contractual Violations

None.

B – Deficit in Fund Balance or Net Position of Individual Funds

None.

C – Excess of Expenditures over Appropriations

None.

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS

A – Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' 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 these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2019, the Town's deposits had a carrying amount of \$143,625 and a bank balance of \$147,238. The bank balance was fully covered by federal depository insurance due to the allocation of funds in both demand accounts and savings accounts.

2. Receivables - Allowance for Doubtful Accounts

Receivables at the government-wide level were as follows at June 30, 2019:

Water Fund:	
Accounts receivable	3,344
Total Water Fund	3,344
Total	\$ 3,773

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2019 are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$ 300
Total	\$ 300

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A – Assets (continued)

3. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,215	\$ -	\$ -	\$ 10,215
Total capital assets not being depreciated	<u>10,215</u>	<u>-</u>	<u>-</u>	<u>10,215</u>
Capital assets being depreciated:				
Buildings	82,278	-	-	82,278
Equipment	1,123	-	-	1,123
Total capital assets being depreciated:	<u>83,401</u>	<u>-</u>	<u>-</u>	<u>83,401</u>
Less accumulated depreciation for:				
Buildings	3,291	1,646	-	4,937
Other improvements	215	112	-	327
Total accumulated depreciation	<u>3,506</u>	<u>1,758</u>	<u>-</u>	<u>5,264</u>
Total capital assets being depreciated, net	<u>79,895</u>			<u>78,137</u>
Governmental activities capital assets, net	<u><u>\$ 90,110</u></u>			<u><u>\$ 88,352</u></u>

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A – Assets (continued)

3. Capital Assets (continued)

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

General government	\$ 1,758
Total depreciation expense	\$ 1,758

Business-type activities:	Beginning			Ending
Water & Sewer Fund	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
 Capital assets being depreciated:				
Buildings & Improvements	426,809			426,809
Plant and distribution systems	1,577,714	-	-	1,577,714
Total capital assets being depreciated:	2,004,523	-	-	2,004,523
 Less accumulated depreciation for:				
Buildings & Improvements	150,094	8,536	-	158,630
Plant and distribution systems	598,372	63,108	-	661,480
Total accumulated depreciation	748,466	71,644	-	820,110
Total capital assets being depreciated, net	1,256,057			1,184,413
Water & Sewer Fund capital assets, net	\$ 1,256,057			\$ 1,184,413

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B – Liabilities

1. Pension Plan and Postemployment Obligations

The Town of Boardman does not participate in the Local Government Employees’ Retirement System, nor do they participate in any other pension programs or postemployment benefit plans.

2. Deferred Outflows and Inflows of Resources

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

Source	Amount
Taxes receivable, less penalties (General Fund)	\$ 429
Total	\$ 429

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance through Carolina Insurers Associates, Inc. The policy provides coverage for single occurrence claims against damages to premises up to \$1,000,000, medical expense up to \$10,000, and personal and advertising injury up to \$1,000,000, as well as general aggregate up to \$3,000,000 and completed operations aggregate up to \$3,000,000. The Town also has workers’ compensation insurance with coverage for bodily injury and bodily injury by disease up to \$100,000 with a limit of \$500,000. The Town also carries commercial fire insurance on the Town Hall building with coverage up to \$80,000.

Because the Town is in an area of the State that has been mapped and designated moderate to low flood zone by the Federal Emergency Management Agency, the Town has chosen not to obtain flood insurance.

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.

Town of Boardman, North Carolina
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

C – Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 88,352	\$ 1,184,413
less: long-term debt	-	-
Net investment in capital asset	\$ 88,352	\$ 1,184,413

D – Fund Balance

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

Total Fund Balance - General Fund	\$ 51,076
Less:	
Stabilization by State Statute	3,127
Streets - Powell Bill	19,473
Special Appropriation	1,945
Remaining Fund Balance	\$ 26,531

NOTE 4 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assistance Programs

The Town has no existing contingencies at this time.

NOTE 5 – SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through February 28, 2020, which is the date the financial statements were available to be issued.

Individual Fund Statements and Schedules

Town of Boardman, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Taxes	\$	\$ 3,336	\$
Penalties and interest		118	
Total	<u>3,000</u>	<u>3,454</u>	<u>454</u>
Unrestricted intergovernmental:			
Local option sales taxes		36,643	
Telecommunications tax		-	
Utilities franchise tax		5,369	
Miscellaneous revenues		3,325	
Total	<u>38,977</u>	<u>45,337</u>	<u>6,360</u>
Restricted intergovernmental:			
Powell Bill allocation		3,772	
Total	<u>4,000</u>	<u>3,772</u>	<u>(228)</u>
Investment earnings	<u>200</u>	<u>71</u>	<u>(129)</u>
 Total revenues	 <u>\$ 46,177</u>	 <u>\$ 52,634</u>	 <u>\$ 6,457</u>
Expenditures:			
Governing body:			
Salaries and employee benefits	\$	\$ 8,300	\$
Operating expenditures		633	
Total governing body	<u>9,600</u>	<u>8,933</u>	<u>667</u>
Administration/Finance:			
Salaries and employee benefits		-	
Operating expenditures		37,330	
Capital outlay		-	
Total administration	<u>44,577</u>	<u>37,330</u>	<u>7,247</u>
Streets:			
Other expenditures		4,978	
Total	<u>5,500</u>	<u>4,978</u>	<u>522</u>
 Total expenditures	 <u>59,677</u>	 <u>51,241</u>	 <u>8,436</u>
Fund balance appropriated	<u>13,500</u>	<u>-</u>	<u>13,500</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ 1,393</u>	 <u>\$ 1,393</u>
Fund balance, beginning		49,683	
 Fund balance, ending		 <u>\$ 51,076</u>	

Town of Boardman, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual
For the Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services:			
Water charges	\$	\$ 18,013	\$
Sewer charges		23,705	
Total	42,238	41,718	(520)
Expenditures:			
Administration			
Other expenditures		210	
Total	450	210	240
Water treatment and distribution			
Other expenditures		13,262	
Total	16,113	13,262	2,851
Sewer operations			
Repairs & Maintenance		71	
Other expenditures		22,652	
Total	26,125	22,723	3,402
Total expenditures	42,688	36,195	6,493
Revenues over (under) expenditures	-	5,523	5,523
Other financing sources (uses):			
Golden Leaf Grant	(44,700)	(44,610)	90
Total	(44,700)	(44,610)	90
Revenues and other sources over expenditures and other uses	\$ -	\$ (39,087)	\$ (39,087)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures and other financing (uses)		\$ (39,087)	
Reconciling items:			
Capital outlay		-	
Depreciation		(71,645)	
Total reconciling items		(71,645)	
Change in net position		\$ (110,732)	

Other Schedules

This section contains additional information on property taxes

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

Town of Boardman North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balances June 30, 2017</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balances June 30, 2018</u>
<u>2018-2019</u>	\$ -	\$ 3,066	\$ 2,854	\$ 212
2017-2018	290	-	172	118
2016-2017	93	-	64	29
2015-2016	123	-	96	27
2014-2015	119	-	81	38
2013-2014	73	-	35	38
2012-2013	91	-	14	77
2011-2012	76	-	14	62
2010-2011	47	-	14	33
2009-2010	104	-	9	95
	<u>\$ 1,016</u>	<u>\$ 3,066</u>	<u>\$ 3,353</u>	<u>\$ 729</u>

Less: allowance for uncollectible accounts - General Fund 300

Ad valorem taxes receivable - net \$ 429

Reconciliation to revenues:

Ad valorem taxes - General Fund	\$ 3,454
Penalties collected	17
Reconciling items:	
Interest collected	(118)
Taxes written off	
Total collections and credits	<u>\$ 3,353</u>

Town of Boardman, North Carolina
Analysis of Current Year Tax Levy
Town-Wide Levy
June 30, 2019

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 6,132,000	0.05	\$ 3,066	\$ 2,821	\$ 245
Discoveries:					
Current and prior years			-	-	-
Releases:					
Current and prior years			-	-	-
Net levy			3,066	2,821	245
Uncollected taxes at June 30, 2019			(212)	(212)	-
Current year's taxes collected			\$ 2,854	\$ 2,609	\$ 245
Current levy collection percentage			93.09%	92.48%	100.00%