FINANCIAL STATEMENTS

June 30, 2020

COMBS, TENNANT & CARPENTER, P.C.
Certified Public Accountants

Table of Contents June 30, 2020

	Exhibit	Page
Financial Section:		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-13
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	Α	14
Statement of Activities	В	15
Fund Financial Statements:		
Balance Sheet – Governmental Funds	С	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	С	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	D	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Fund	E	20
Statement of Fund Net Position – Proprietary Funds	F	21
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	G	22
Statement of Cash Flows – Proprietary Funds	н	23
Notes to the Basic Financial Statements		24-56
Required Supplementary Financial Data:		
Schedules of the Proportionate Share of the Net Pension Liability for Local Government Employees' Retirement System		57
Schedules of Contributions to Local Government Employees' Retirement System		58
Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance		59
Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance		60
Schodulo of Changes in the Total OPER Liability and Polated Ratios		64

Table of Contents June 30, 2020

Financial Section (continued): Combining and Individual Fund Statements and Schedules:	Schedule	Page
General Fund:		
Comparative Balance Sheets	1	62
Schedule of Revenues, Expenditures and Changes in Fund		-
Balance - Budget and Actual	2	63-72
Special Revenue Nonmajor Funds:		
Combining Balance Sheet - Nonmajor Governmental Funds	3	73
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	4	74
Rural Fire Service District - Schedule of Revenues, Expenditures	7	/4
and Changes in Fund Balance - Budget and Actual	5	75
Municipal Service District - Schedule of Revenues, Expenditures		
and Changes in Fund Balance - Budget and Actual	6	76
Special Revenue Major Fund:		
Emergency Telephone System Fund - Comparative Balance Sheets	7	77
Emergency Telephone System Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	8	78
Experiolities and Changes in Fund Balance - Budget and Actual	0	10
Enterprise Fund:		
Water and Sewer Fund: Comparative Balance Sheets	9	79
Schedule of Revenues and Expenditures - Budget and	3	13
Actual (Non-GAAP)	10	80-83
Internal Service Fund:		
Insurance Fund:		
Comparative Balance Sheets	11	84
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	12	85
Actual (NOTI-GAAF)	12	00
Other Schedules:	40	
Schedule of Ad Valorem Taxes Receivable Analysis of Current Tax Levy	13 14	86 87
Municipal Service District - Schedule of Ad Valorem Taxes Receivable	15	88
Municipal Service District - Analysis of Current Tax Levy	16	89
Rural Fire Service District - Schedule of Ad Valorem Taxes Receivable	17	90
Rural Fire Service District - Analysis of Current Tax Levy	18	91
Compliance Section:		
Report on Internal Control over Financial Reporting and on Compliance and Otl	her	
Matters Based on an Audit of Financial Statements Performed in Accordance w		
Government Auditing Standards		92-93
Report on Compliance for Each Major State Program; Report on Internal Contro	ol	
Over Compliance; In accordance with OMB Uniform Guidance; and the State	J1	
Single Audit Implementation Act		94-95
Schedule of Findings and Questioned Costs		96-97
Corrective Action Plan		98
Summary of Prior Year Audit Findings		99
Schedules:		
aciieuliea.		
Schedule of Expenditures of Federal and State Awards		100

Financial Section

2348 Hwy. 105, Suite 5 P.O. Box 1098 Boone, NC 28607 828-264-6700 Fax: 828-264-7756

Billy G. Combs, CPA Douglas M. Tennant, CPA Jason D. Carpenter, CPA Brady L. Combs, CPA Tanya L. Singleton, CPA Emily W. Reynolds, CPA 311 Linville Street P.O. Box 1480 Newland, NC 28657 828-733-0066 Fax: 828-733-8689

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and members of the Town Council Town of Boone Boone, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Boone, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller 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 Town of Boone ABC Board, the Boone Tourism Development Authority, and the Downtown Boone Development Association were not audited in accordance with *Governmental 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 auditors' judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Boone, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund and the Emergency Telephone System Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Other Postemployment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios on page 61, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 57 and 58, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 59 and 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements. is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational. economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist 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 Boone, North Carolina. The introductory information, combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, 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 January 22, 2021 on our consideration of Town of Boone's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 Boone's internal control over financial reporting and compliance.

COMBS, TENNANT & CARPENTER, P.C. **Certified Public Accountants** Boone, North Carolina

January 22, 2021

Management's Discussion and Analysis

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

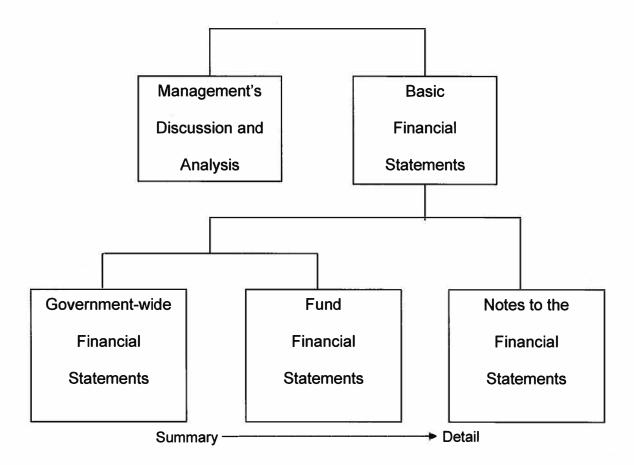
Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$69,475,496 (net position).
- The government's total net position decreased by \$2,092,592 as a result of decreases in both the governmental and business type activities' net position.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,449,620 with a net increase of \$620,739 in fund balance. Approximately 38.73% of this total amount or \$6,371,710 is restricted, committed, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,077,910, or 67.02% of total General Fund expenditures for the fiscal year.
- The Town's total long-term liabilities decreased by \$54,175 (0.12%) during the current fiscal year. This was primarily due to the decrease in OPEB related liabilities.
- The Town no longer has a current bond rating as the Town has no publicly held bonded debt. The last ratings held by the town were an "A" bond rating from Standard & Poor's and "A2" from Moody's Investor Services.

Overview of the Financial Statements

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

Required Components of Annual Financial Report Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) 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 (Exhibits C through H) 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 to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

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

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as general government, administration, public safety, transportation, public works, environmental protection, and community development. 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. These include the water and sewer services offered by the Town. The final category is component units. The Town has the following component units: ABC Board, Boone Tourism Development Authority, and Downtown Boone Development Association. Although legally separate from the Town, these entities are important to the Town because the Town exercises control by appointing their members. The ABC Board is required to distribute its profits to the Town. These entities are also fiscally dependent on the Town.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) 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, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of 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 what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town 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 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town has only 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 enterprise funds to account for its water and sewer activity. This fund is the same as that function shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of Town. The Town uses an internal service fund to account for its insurance fund. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

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 are on pages 24 - 56 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's progress in funding its obligation to provide pension and postemployment healthcare benefits to its employees. Required supplementary information can be found on pages 57 – 61 of this report.

Government-Wide Financial Analysis The Town of Boone's Net Position

Figure 2

		nmental vities	Business-T Activitie	••	Total				
	2020	2019	2019 2020 2019		2020	2019			
Current and other assets	\$ 17,797,789	\$ 17,729,353 \$	22,251,482 \$	21,333,248 \$	40,049,271	\$ 39,062,601			
Noncurrent assets	13,954,495	14,260,994	60,166,315	62,162,877	74,120,810	76,423,871			
Deferred outflows of resources	2,106,910	2,380,373	427,234	514,712	2,534,144	2,895,085			
Total assets and deferred outflows			<u></u>						
of resources	33,859,194	34,370,720	82,845,031	84,010,837	116,704,225	118 <u>,</u> 381 <u>,557</u>			
Long-term liabilities outstanding	4,480,121	3,793,217	32,702,529	33,098,805	37,182,650	36,892,022			
Other liabilities	6,549,702	6,954,238	2,092,541	2,238,030	8,642,243	9,192,268			
Deferred inflows of resources	1,054,888	556,084	348,948	173,095	1,403,836	729,179			
Total liabilities and deferred inflows				100					
of resources	12,084,711	11,303,539	35,144,018	35,509,930	47,228,729	46,813,469			
Net position:									
Net investment in capital assets	13,046,869	13,633,749	28.458.873	29,923,832	41,505,742	43,557,581			
Restricted	4,984,556	4,432,197	*	16	4.984.556	4,432,197			
Unrestricted	3,743,058	5,001,235	19,242,140	18,577,075	22,985,198	23,578,310			
Total net position	\$ 21,774,483	\$ 23,067,181 \$	47,701,013 \$	48,500,907	69,475,496	\$ 71,568,088			

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town exceeded liabilities and deferred inflows by \$69,475,496 as of June 30, 2020. The Town's net position decreased by \$2,092,592 for the fiscal year ended June 30, 2020. However, the largest portion reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$4,984,556, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$22,985,198 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.40%.
- Reevaluation effective January 2014 (performed on a 4-year to 8-year max) created additional property tax revenue, as well as discovery billings throughout the fiscal year.
- Conservative budgeting and spending.
- Overall decrease in net position reflects investment in capital infrastructure for the Town.

Town of Boone's Changes in Net PositionFigure 3

	Govern Activ		Busine Activ	ss-type vities	Totals			
	2020	2019	2020	2019	2020	2019		
Revenues:								
Program revenues:								
Charges for services	\$ 1,540,373	\$ 1,750,953	\$ 8,992,027	\$ 8,846,040	\$ 10,532,400	\$ 10,596,993		
Operating grants and contributions	982,547	635,293		6.51	982,547	635,293		
Capital grants and contributions	•	94,648	-	1,648,903		1,743,551		
General revenues:								
Property taxes	7,161,445	7,135,625	Ē	-	7,161,445	7,135,625		
Other taxes	5,978,076	5,570,715	-	74 2 7	5,978,076	5,570,715		
Other	618,721	908,113	205,239	701,902	823,960	1,610,015		
Total revenues	16,281,162	16,095,347	9,197,266	11,196,845	25,478,428	27,292,192		
Expenses:								
General government	3,598,384	3,680,285	-	(*	3,598,384	3,680,285		
Public safety	8,835,212	8,031,396		9.5	8,835,212	8,031,396		
Transportation	2,581,194	2,237,657	<u> </u>) -	2,581,194	2,237,657		
Environmental protection	444,625	400,303		::=	444,625	400,303		
Economic development	2,211,460	1,973,013		7,€0	2,211,460	1,973,013		
Culture and recreation	88,989	68,724	-	:252	88,989	68,724		
Interest on long-term debt	15,963	17,596		11.50	15,963	17,596		
Water and sewer	-	-	9,795,193	7,992,595	9,795,193	7,992,595		
Electric		-		-		-		
Total expenses	17,775,827	16,408,974	9,795,193	7,992,595	27,571,020	24,401,569		
Increase in net position before transfers	(1,494,665)	(313,627)	(597,927)	3,204,250	(2,092,592)	2,890,623		
Transfers	201,967	143,453	(201,967)	(143,453)				
i e								
Increase in net position	(1,292,698)	(170,174)			(2,092,592)			
Net position, July 1	23,067,181	23,237,353	48,500,907	45,440,110	71,568,088	68,677,463		
Net position, June 30	\$ 21,774,483	\$ 23,067,179	\$ 47,701,013	\$ 48,500,907	\$ 69,475,496	\$ 71,568,086		

Governmental activities: Governmental activities decreased the Town's net position by \$1,292,698, thereby accounting for (61.77)% of the total decrease in the net position of the Town. Key elements of this decrease are as follows:

- Tax revenues increased due to due to discovery billings throughout the fiscal year. Tax collection percentages remained strong, only reflecting a decrease of 0.11% from FY 2019/2020.
- Local option sales tax increased by \$186,649 in comparison to FY 2018/2019 but remains historically disproportionate due to the change in the distribution method from per capita to ad valorem. This continues to represent a significant loss of revenue.

Business-type activities: Business-type activities decreased the Town's net position by \$799,894, accounting for 38.23% of the total decrease in the government's net position.

Financial Analysis of the Town's Funds

As noted earlier, the Town 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. Specifically, unrestricted fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,077,910 while total fund balance reached \$13,057,285. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Increase of General Fund fund balance is attributed to the receipt of revenues greater than originally projected. Conservative budgeting and spending also contributed to the increase in General Fund fund balance. Additional revenues were also realized for sales tax, property tax, and utility franchise fees.

At June 30, 2020, the governmental funds of the Town reported a combined total fund balance of \$16,449,620.

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

Variances between the original and amended budgets are primarily associated with the carrying forward of funds from Fiscal Year 2019/2020 for goods and services which were either incomplete or were not received as of June 30, 2020. Fund balance was also appropriated throughout the fiscal year to accommodate special needs, projects and the purchase of land.

Differences between the amended budget and actual revenues and expenditures for Fiscal Year 2019-2020 are due to several factors. Revenues for ad valorem taxes were slightly greater than last year due to discovery billings during the course of the fiscal year, and the continuation of strong collection percentages. Line items not fully expended are associated with large projects (Howard Street & Downtown Streetscape Projects), and items ordered prior to June 30, 2020 but not received prior to the end of the fiscal year.

Proprietary Funds: The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$19,181,598. The total decrease in net position was \$799.894. Other factors concerning the finances of this

fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets: The Town's investment in capital assets for its governmental and business—type activities as of June 30, 2020, totals \$74,120,810 (net of related depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Purchase of vehicles and equipment
- Construction in progress related to a bridge project

Town of Boone's Capital Assets

Figure 4

		Govern	mei	ntal		Busines	ss-t	ype			
		Activ	vities	S		Activ	itie	S		То	tal
	202	20		2019		2020		2019	2020		2019
Land	\$ 5,70	9,990	\$	5,508,685	\$ 4	4,717,618	\$	4,717,618	\$ 10,427,	608	\$ 10,226,303
Construction in progres	13	7,127		<u></u>		-		<u>≅</u> 1	137,	127	<u> </u>
Buildings and system	3,24	1,259		3,405,009		⊕ ;		<u>-</u>	3,241,	259	3,405,009
Equipment, furniture											
and fixtures	1,05	4,425		1,080,847		355,252		475,658	1,409,	677	1,556,505
Infrastructure	94	2,296		989,780		-		-	942,	296	989,780
Vehicles	2,86	9,398		3,276,673		· ·		-	2,869,	398	3,276,673
Plant and distribution											
systems		-		*	5	5,093,445		56,969,601	55,093,	445	56,969,601
Total	\$ 13,95	4,495	\$ ^	14,260,994	\$ 60	0,166,315	\$ 6	62,162,877	\$ 74,120,	810	\$ 76,423,871

Additional information on the Town's capital assets can be found on pages 35 - 37 of this report.

Long-term Debt: As of June 30, 2020, the Town had the following outstanding debt.

Town of Boone's Outstanding Debt Long-term Obligations

Figure 5

	Govern Activ	 		Busine: Activ		• •	Total				
8	2020	 2019		2020		2019	2020		2019		
Notes payable	\$ 907,626	\$ 787,859	\$	176,442	\$	196,055	\$ 1,084,068	\$	983,914		
Bond anticipation notes payable	-	300		{₩>	3	2,456,000	-	3	32,456,000		
Bonds payable			3	31,531,000			31,531,000				
Net pension obligation (LGERS)	2,868,706	2,529,726		761,782		665,344	3,630,488		3,195,070		
Net pension obligation (LEOSSA)	1,324,172	1,299,713				5 7. 6	1,324,172		1,299,713		
OPEB liability	4,286,907	4,559,750		1,565,163		1,661,582	5,852,070		6,221,332		
Compensated absences	703,789	636,246		233,305		194,416	937,094		830,662		
	\$ 10,091,200	\$ 9,813,294	\$3	34,267,692	\$3	5,173,397	\$44,358,892	\$4	4,986,691		

The Town's total debt decreased by \$627,799, (1.41%) during the 2019-2020 fiscal year.

As mentioned in the financial highlights section, the Town no longer has a current bond rating as the Town has no publicly held outstanding bonded debt. The last ratings held by the town were an "A" bond rating from Standard & Poor's and "A2" from Moody's Investor Services.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue up to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town is \$85,951,039. Additional information regarding the Town's long-term debt can be found in pages 50-53 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- Low unemployment. The Town's unemployment rate of 6.2% as of June 2020 is well below the State average of 7.7% and the national average of 11.1% for the same time period.
- The Town has an active central business district which draws customers because of its unique shops, friendly atmosphere and beauty.
- Appalachian State University provides numerous jobs and cultural activities which greatly enhance the economy of Boone.
- The Town is a thriving tourist destination.
- The Town of Boone does not anticipate experiencing adverse economic factors that will have a material effect on its financial position for the next year due to COVID-19.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: Budgeted expenditures in the General Fund total \$20,752,414 The largest increments include funding allocated for various projects, and continuation of funding reserves for long term needs. Projects include Downtown upgrades, Town facility needs, expansion of the Greenway, and parking in downtown. Meetings are planned to set priorities and discuss additional funding options.

Business – type Activities: Budgeted expenditures in the Water and Sewer Fund total \$8,190,606. The water and sewer rates in the Town are calculated according to a tiered rated schedule designed to promote water conservation. There were no increases in water/sewer rates for commercial or residential.

The Town completed the construction phase of a water expansion project that was financed by one USDA Revenue Bond totaling \$7,456,000 (40 year term, 3.25% interest), four General Obligation bond issuances totaling \$25,000,000 (40 year term, 2.25% interest), and a USDA grant in the amount of \$1,648,903.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Town of Boone, 567 West King Street, P.O. Drawer 192, Boone, NC 28607.

Town of Boone, North Carolina Statement of Net Position June 30, 2020

Primary Government

	-		FILITIE	A Constitution	_									
		ernmental	В	usiness-type Activities		Total	De	ne Tourism velopment Authority	8	oone ABC Board	De	ntown Boone velopment sociation	To	tal Reporting Unit
ASSETS		CHAILING	-	Activities		10141		- Authority		Dogra		SOCIETION	_	Olik
Current assets:														
Cash and cash equivalents Receivables:	\$	16,052,545	\$	19,212,421	\$	35,264,968	\$	1,118,275	\$	1,242,751	\$	26,573	\$	37,652,565
Taxes, net		108,063				108,063								108,063
Intergovernmental taxes		655,254		<u>44</u>		655,254		8				3 (1)		655,254
Accounts, net		414,467		1,648,300		2,062,767		*		1.0		350		2,062,767
Due from component units		216,923				218,923								216,923
Due from primary government				•				148,219				240		148,219
Due from fiduciary funds		1,354		20		4 054				- 5		53		
Due from other funds Internal balances		(80,542)		60,542		1,354		<u>:</u>				3		1,354
Inventories		(00,542)		1,021,830		1,021,830				407,084				1,428,914
Prepaid items		-		1,021,000		1,021,000		<u> </u>		10,181		127		10,181
Restricted cash and cash equivalents		409,725		308,389		718,114				10,101		16,640		734,754
Other assets	14.000							- 4						
Total current assets		17,797,789	=	22,251,482	-	40,049,271		1,266,494		1,660,018		43,213	_	43,018,994
Non-current assets:														
Nel pension asset				540						*		1.4		
Capital assets: Land, non-depreciable Improvements, and														
construction in progress		5.847.117		4,717,818		10.584.735				-				10,584,735
Other capital assets, net of depreciation		8,107,378		55,448,697		63,556,075				1,199,607		33,705		64,789,387
Total capital assets	_	13,954,495	_	60,166,315		74,120,810			_	1,199,607		33,705		75,354,122
Total non-current assets		13,954,495		60,166,315		74,120,810			=	1,199,607		33,705		75,354,122
Total assets		31,752,284	=	82.417,797	_	114,170,081		1,268,494		2,859,823	-	76,918		118,373,116
DEFERRED OUTFLOWS OF RESOURCES														
Deferred charges				1,00				-		2				-
Pension deferrals		1,833,388		382,981		2,198,349		*						2,196,349
OPEB defarrals Total deferred outflows of resources	_	273,542	-	64,253 427,234	-	337,795 2,534,144			_				_	337,795 2,534,144
LIABILITIES						X6.80					0.00			
Current liabilities:														
Accounts payable		790,404		148,778		939,182				532,985		10.00		1,472,167
Unearned revenue				140,770		555,162		<u> </u>		11,511		10		11,511
Customer deposits				100				×		¥0				· ·
Accrued interest				70,211		70,211						1.0		70,211
Payable from restricted assets				308,389		308,389		2		₩.		3.		308,389
Due to other funds		*		•				*		*:				25
Due to primary government								74,852		142,071				218,923
Due to component unit		148,219		700 400		148,219		-		-		200		146,219
Current portion of long-term liabilities		741,880		729,433		1,471,113						3.53		1,471,113
Long-term tiabilitias:														
NaI pension liability - LGER8		2,888,706		761,782		3,830,488						3.5		3,830,488
Total pension liability - LEO Total OPEB liability		1,324,172 4,286,907		4 505 400		1,324,172 5,852,070								1,324,172
Due in more than one year		889,735		1,565,183 31,211,314		32,081,049								5,852,070 32,081,049
Total liabilities	_	11,029,823	_	34,795,070	Ξ	45,824,893		74,852	=	888,567			_	48,588,312
DEFERRED INFLOWS OF RESOURCES						1.3 - 1.1 1.1				-11-125				
Prepaid taxes		*		1.00		84.0		*		**		090		- 6
Pension deferrals		180,987		38,927		219,914				*)		0.00		219,914
OPEB deferrals		873,901	_	310,021	_	1,183,922				12				1,183,922
Total deferred inflows of resources	0	1,054,888	_	348,948	_	1,403,638	_		_				_	1,403,838
NET POSITION														
Net Investment in capital assets Restricted:		13,046,869		28,458,873		41,505,742				1,199,607		33,705		42,739,054
Capital projects		2.		1.60		920		2		-		121		12
Streets		409,725				409,725						-		409,725
Working capital								2		208,547		1.5		208,547
Public Safety		2,964,274				2,984,274		\$		20,071				2,964,274
Economic Development		360,578				380,578						18,640		377,218
Stabilization by State Statute		1,249,979				1,249,979		148,219		2		1.2		1,398,198
Unrestricted	_	3,743,058	_	19,242,140	_	22,985,198	_	1,043,423	-	764,902	_	26,573	_	24,820,098
Total net position	.3	21,774,483	3	47,701,013	.1	69,475,498	-7-	1,191,842		2,173,058	:	76,918	3	72,917,112

Town of Boone, North Carolina Statement of Activities For the Year Ended June 30, 2020

			Program	Program Revenues			Net (Expe	Net (Expense) Revenue and Changes in Net Position	Changes in Net Po	sition	
						5	Primary Government	nent	ı		
									Boone		Downtown
									Tourism		Boone
E. motions (Bonnes me	2000	Charges for			Capital Grante and	Governmental Activities	Business-type	-tot-	Development	Boone ABC	Development Accordation
Difference	EAppliage					Common		local	Supple		TODBE OF CO.
Governmental Activities:											
General government	\$ 3,598,384	\$ 124,835	9	101,368	9	\$ (3.372,181)	69	\$ (3,372,181)	9	69	69
Public safety		~	•	414,762		(7,580,898)			٠	*	
Transportation	2.581.194	532,128	4	451.412		(1.597.654)		(1.597.654)	•		
Economic and physical development	2.211.460	43.858		*		(2.167.602)		(2.167.602)			•
Environmental profection	444 625			15 005		(429 620)		(429 620)	•		
Comminity development	88 989			,		(88 989)	9 1	(88 989)			
Interest on long-term debt	15,963					(15,963)	9 2	(15,963)		•	
	5);		100000								
Total governmental activities (See Note 1)	17,775,827	1,540,373	6	982,547		(15,252,907)		(15,252,907)		٠.	١
Business-bne activities:											
Water and sewer	9,795,193	8,992,027			٠	*	(803,166)	(803,166)			
Total business-type activities	9,795,193	8,992,027		9	e	77	(803,166)	(803,166)			
Total primary government	\$ 27,571,020	\$ 10,532,400	9	982,547	9	(15,252,907)	(803,166)	(16,056,073)	•		
Component units:	1 212 261	6	e		6				1 242 2647		
Boose ABC Boose		7 110 103	9	e;	9	6		L	(100,010,1)	900	•6
Downtown Boone Development Association	200,218,0	201,611,7		1000	r	• (•		() (ŧi i	006,602	6
Total component unit	\$ 8226 Q64	\$ 7 110 103	e	į.		0.0			(1 313 361)	205 500	
		201.6	,	İ		0			(100,010,1)	000,002	
	General revenues:	:2									
	Taxes:	(es: Dronody taxes lovied for general primose	osomin lene			7 161 445		7 161 445	3	,79	
	Sales taxes					2 969 826	•	2 969 826	10		623
	Occupancy taxes	taxes				474.302	9	474.302	1.437.279	969 !	e Sa
	Other taxes					2,533,948		2.533,948	10	7.9	53
	Grants and co	Grants and contributions not restricted	tricted to spec	to specific programs	пs			3.0	9	21	5.0
	Unrestricted in	Unrestricted investment earnings				313,314	194,328	507,642	9,733	্	21
	Miscellaneous					305,407	10,911	316,318	2,111	я	
	Payments fron	Payments from primary government	nent				•)31	ä	9	9
	Payments fron	Payments from component unit						: •	3		•
	Transfers					201,967	(201,967)		٠	•	
	Total ge	Total general revenues and transfers	d transfers			13,960,209	3,272	13,963,481	1,449,123	.	21
	Change	Change in net position				(1,292,698)	(799,894)	(2,092,592)	135,762	205,500	21
	Net position, beginning	ning						71,568,088	1,055,880	1.967.556	76,897
	Net position, ending	, Bu				\$ 21,774,483	ıl	\$ 69.475,496	\$ 1,191,642	\$ 2,173,056	\$ 76,918
						ı					

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

Town of Boone, North Carolina Balance Sheet Governmental Funds June 30, 2020

		Major	Funds	######################################					
	General		Emergency Telephone System		Tota	al Non-Major Funds	Total Governmen		
ASSETS		10-02-							
Cash and cash equivalents	\$	12,249,704	\$	35,303	\$	3,282,906	\$	15,567,913	
Receivables, net:									
Taxes		48,978				38,592		87,570	
Intergovernmental taxes		647,714		-		7,540		655,254	
Accounts		317,859		36,665		59,943		414,467	
Due from other funds		040.000		1.0				-	
Due from component unit		216,923						216,923	
Restricted cash and cash equivalents Total assets	\$	409,725	\$	71,968	-	2 200 004		409,725	
l otal assets	<u></u>	13,890,903	<u>*</u>	71,968	\$	3,388,981	\$	17,351,852	
LIABILITIES									
Liabilities:									
Accounts payable and accrued liabilities	\$	636,421	\$	23.753	\$	6,269	\$	666,443	
Due to other funds		20		¥.		185	·		
Due to component unit		148,219				196		148,219	
Total liabilities		784,641		23,753		6,269		814,663	
DEFERRED INFLOWS OF RESOURCES									
Property taxes receivable		48,978		<u> </u>		38,592	X.	87,570	
FUND BALANCES									
Restricted for:									
Stabilization by State Statute		1,182,496		4		67,483		1,249,979	
Capital projects		340		4		500		*	
Streets		409,725		-		0.50		409,725	
Public Safety		:=:		48,215		2,916,059		2,964,274	
Economic Development		(=)				360,578		360,578	
Committed:									
Capital acquisitions		(★):		-		(1€)		*	
Assigned:									
Designated for subsequent year's									
expenditures		1,387,154		₹.		∵ ₹		1,387,154	
Unassigned	05-	10,077,910	-	<u> </u>	T 2006 950			10,077,910	
Total fund balances		13,057,285		48,215		3,344,120	9 8	16,449,620	
Total liabilities, deferred inflows of								332 33 33 33	
resources and fund balances	\$	13,890,903	\$	71,968	\$	3,388,981	\$	17,351,852	

Town of Boone, North Carolina Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2020

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

Ending fund balance - governmental funds:	\$ 16,449,620
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,954,495
Net pension asset	(-)
Deferred outflows of resources related to pensions are not reported in the funds	1,833,368
Deferred outflows of resources related to OPEB are not reported in the funds	273,542
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. Liabilities for earned revenues considered deferred inflows of resources in fund statements Accrued interest on taxes receivable	87,570 20,493
The Health Insurance Fund (internal service fund) is used by management to charge the costs of health insurance costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	362,025
Consolidation adjustment for internal balances between the Health Insurance Fund and the Governmental Funds.	(60,542)
Deferred inflows of resources related to pensions are not reported in the funds Deferred inflows of resources related to OPEB are not reported in the funds	(180,987) (873,901)
Long-term liabilities and associated interest payable, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Accrued interest payable Notes payable Net pension obligation - LEOSSA Net pension obligation - LGERS Net OPEB obligation Compensated absences	(907,626) (1,324,172) (2,868,706) (4,286,907) (703,789)
Net position of governmental activities	\$ 21,774,483

Town of Boone, North Carolina Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2020

REVENUES Total Non-Major Funds Governmental Funds Ad valorem taxes \$ 6,062,800 \$ - \$ 1,074,922 \$ 7,137,722 Other taxes and licenses 3,655,278 - 486,400 4,141,678 Unrestricted intergovernmental 1,880,850 - 1880,850 - 1880,850 Restricted intergovernmental 715,578 165,601 - 881,179 Permits and fees 278,935 278,935 Sales and services 1,013,847 10,1013,847 Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 589,568 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 2,641 3,349,140 Public works 1,900,285 320,669 320,669			Major						
REVENUES General Fund System Funds Funds Ad valorem taxes \$ 6,062,800 \$ - \$ 1,074,922 \$ 7,137,722 Other taxes and licenses 3,655,278 - 486,400 4,141,678 Unrestricted intergovernmental 1,880,850 - - 1,880,850 Restricted intergovernmental 715,578 165,601 - 278,935 Permits and fees 278,935 - - 278,935 Sales and services 1,013,847 - - 1,013,847 Investment earnings 311,700 333 989 313,022 Miscellanceus 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - -					Emergency				Total
REVENUES Ad valorem taxes \$ 6,062,800 \$ - \$ 1,074,922 \$ 7,137,722 Cher taxes and licenses 3,655,278 - 486,400 4,141,678 Unrestricted intergovernmental 1,880,850 - - 1,880,850 Restricted intergovernmental 715,578 165,601 - 881,179 Permits and fees 278,935 - - 278,935 Sales and services 1,013,847 - - 1,013,847 Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - 2,557,807 Public works 1,900,285 - <th></th> <th>1</th> <th></th> <th></th> <th>Telephone</th> <th>Tota</th> <th>ıl Non-Major</th> <th>Go</th> <th>vernmental</th>		1			Telephone	Tota	ıl Non-Major	Go	vernmental
Ad valorem taxes \$ 6,062,800 \$ - \$ 1,074,922 \$ 7,137,722 Other taxes and licenses 3,655,278 - 486,400 4,141,678 Unrestricted intergovernmental 1,880,850 - - 1,880,850 Restricted intergovernmental 715,578 165,601 - 881,179 Permits and fees 278,935 - - 278,935 Sales and services 1,013,847 - - 1,013,847 Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - - 2,557,807 Public works 1,900,285 -		Ge	neral Fund		System		Funds		Funds
Other taxes and licenses 3,655,278 - 486,400 4,141,678 Unrestricted intergovernmental 1,880,850 - - 1,880,850 Restricted intergovernmental 715,578 165,601 - 881,179 Permits and fees 278,935 - - 278,935 Sales and services 1,013,847 - - 1,013,847 Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - 2,557,807 Public works 1,900,285 - - 444,625 Community development (Payment to component unit) - - 85,508 85,508 <td>REVENUES</td> <td></td> <td></td> <td>0.000</td> <td></td> <td></td> <td>285 20 20 20</td> <td></td> <td></td>	REVENUES			0.000			285 20 20 20		
Unrestricted intergovernmental 1,880,850 - - 1,880,850 Restricted intergovernmental 715,578 165,601 - 881,179 Permits and fees 278,935 - - 278,935 Sales and services 1,013,847 - - 1,013,847 Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - 2,557,807 Public works 1,900,285 - - 1,900,285 Environmental protection 444,625 - - 444,625 Community development (Payment to component unit) - - 85,508	Ad valorem taxes	\$	6,062,800	\$	X#X	\$	1,074,922	\$	7,137,722
Restricted intergovernmental Permits and fees 715,578 165,601 - 881,179 Permits and fees 278,935 - - 278,935 Sales and services 1,013,847 - - 1,013,847 Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - 2,557,807 Public works 1,900,285 - - 1,900,285 Environmental protection 444,625 - - 444,625 Community development (Payment to component unit) - - 85,508 85,508 Debt service: Principal retirement 320,669	Other taxes and licenses		3,655,278		1,00		486,400		4,141,678
Permits and fees 278,935 - 278,935 Sales and services 1,013,847 - - 1,013,847 Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - 2,557,807 Public works 1,900,285 - - 1,900,285 Environmental protection 444,625 - - 444,625 Community development (Payment to component unit) - - 85,508 85,508 Debt service: Principal retirement 320,669 - - 320,669 Interest and other charges 15,963 - - <th< td=""><td>Unrestricted intergovernmental</td><td></td><td>1,880,850</td><td></td><td>100</td><td></td><td>1.</td><td></td><td>1,880,850</td></th<>	Unrestricted intergovernmental		1,880,850		100		1.		1,880,850
Sales and services 1,013,847 - - 1,013,847 Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - 2,557,807 Public works 1,900,285 - - 1,900,285 Environmental protection 444,625 - - 444,625 Community development (Payment to component unit) - - 85,508 85,508 Debt service: Principal retirement 320,669 - - 320,669 Interest and other charges 15,963 - - - 15,963 Contingency - -	Restricted intergovernmental		715,578		165,601		500		881,179
Investment earnings 311,700 333 989 313,022 Miscellaneous 589,568 -	Permits and fees		278,935		1 = 1		(**)		278,935
Miscellaneous 589,568 - - 589,568 Total revenues 14,508,555 165,934 1,562,311 16,236,800 EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - - 2,557,807 Public works 1,900,285 - - 1,900,285 Environmental protection 444,625 - - 444,625 Community development (Payment to component unit) - - 85,508 85,508 Debt service: Principal retirement 320,669 - - 320,669 Interest and other charges 15,963 - - 15,963 Contingency - - - - - Total expenditures 16,043,426 205,253 190,749 16,439,428 Excess (deficiency) or revenues over expenditures<	Sales and services		1,013,847		14		200		1,013,847
Total revenues	Investment earnings		311,700		333		989		313,022
EXPENDITURES Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 2,557,807 Public works 1,900,285 1,900,285 Environmental protection 444,625 444,625 Community development (Payment to component unit) 85,508 85,508 Debt service: Principal retirement 320,669 320,669 Interest and other charges 15,963 15,963 Contingency	Miscellaneous		589,568		-	71			589,568
Current: General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 2,557,807 Public works 1,900,285 1,900,285 Environmental protection 444,625 444,625 Community development (Payment to component unit) 85,508 85,508 Debt service: Principal retirement 320,669 320,669 Interest and other charges 15,963 15,963 Contingency	Total revenues	-	14,508,555	3	165,934		1,562,311	5. 5. – 1. –	16,236,800
General government 3,346,499 - 2,641 3,349,140 Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - - 2,557,807 Public works 1,900,285 - - - 1,900,285 Environmental protection 444,625 - - - 444,625 Community development (Payment to component unit) - - - 85,508 85,508 Debt service: Principal retirement 320,669 - - - 320,669 Interest and other charges 15,963 - - - 15,963 Contingency - - - - - Total expenditures 16,043,426 205,253 190,749 16,439,428 Excess (deficiency) of revenues over expenditures (1,534,871) (39,319) 1,371,562 (202,628) OTHER FINANCING SOURCES (USES) Transfers from other funds 957,521 (16,472) - 941,049	EXPENDITURES								
Public safety 7,457,577 205,253 102,600 7,765,430 Transportation 2,557,807 - - 2,557,807 Public works 1,900,285 - - 1,900,285 Environmental protection 444,625 - - 444,625 Community development (Payment to component unit) - - 85,508 85,508 Debt service: Principal retirement 320,669 - - 320,669 Interest and other charges 15,963 - - 15,963 Contingency - - - - Total expenditures 16,043,426 205,253 190,749 16,439,428 Excess (deficiency) of revenues over expenditures (1,534,871) (39,319) 1,371,562 (202,628) OTHER FINANCING SOURCES (USES) Transfers from other funds 957,521 (16,472) - 941,049									
Transportation 2,557,807 - - 2,557,807 Public works 1,900,285 - - 1,900,285 Environmental protection 444,625 - - 444,625 Community development (Payment to component unit) - - 85,508 85,508 Debt service: - - 85,508 85,508 Debt service: - - 320,669 - - 320,669 Interest and other charges 15,963 - - 15,963 Contingency - - - - - Total expenditures 16,043,426 205,253 190,749 16,439,428 Excess (deficiency) of revenues over expenditures (1,534,871) (39,319) 1,371,562 (202,628) OTHER FINANCING SOURCES (USES) Transfers from other funds 957,521 (16,472) - 941,049			• •		824		•		
Public works 1,900,285 - - 1,900,285 Environmental protection 444,625 - - 444,625 Community development (Payment to component unit) - - 85,508 85,508 Debt service: Principal retirement 320,669 - - 320,669 Interest and other charges 15,963 - - 320,669 Interest and other charges 15,963 - - - - Contingency - <t< td=""><td>•</td><td></td><td></td><td></td><td>205,253</td><td></td><td>102,600</td><td></td><td></td></t<>	•				205,253		102,600		
Environmental protection 444,625 444,625 Community development (Payment to component unit) 85,508 85,508 Debt service: Principal retirement 320,669 320,669 Interest and other charges 15,963 15,963 Contingency	•				ē. ≟ :		0-		
Community development (Payment to component unit) 85,508 85,508 Debt service: Principal retirement 320,669 320,669 Interest and other charges 15,963 15,963 Contingency			1,900,285		:#		8		1,900,285
to component unit) Debt service: Principal retirement 320,669 320,669 Interest and other charges 15,963 15,963 Contingency	•		444,625		¥		S ≅		444,625
Debt service: Principal retirement 320,669 Interest and other charges 15,963 - - 15,963 Contingency - <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>									
Principal retirement 320,669 - - 320,669 Interest and other charges 15,963 - - 15,963 Contingency - - - - Total expenditures 16,043,426 205,253 190,749 16,439,428 Excess (deficiency) of revenues over expenditures (1,534,871) (39,319) 1,371,562 (202,628) OTHER FINANCING SOURCES (USES) Transfers from other funds 957,521 (16,472) - 941,049	• •		2		**		85,508		85,508
Interest and other charges 15,963 - 15,963 Contingency									
Contingency - <th< td=""><td></td><td></td><td>•</td><td></td><td>7</td><td></td><td>N48</td><td></td><td></td></th<>			•		7		N 4 8		
Total expenditures 16,043,426 205,253 190,749 16,439,428 Excess (deficiency) of revenues over expenditures (1,534,871) (39,319) 1,371,562 (202,628) OTHER FINANCING SOURCES (USES) Transfers from other funds 957,521 (16,472) - 941,049			15,963		52		-		15,963
Excess (deficiency) of revenues over expenditures (1,534,871) (39,319) 1,371,562 (202,628) OTHER FINANCING SOURCES (USES) Transfers from other funds 957,521 (16,472) - 941,049			-						
revenues over expenditures (1,534,871) (39,319) 1,371,562 (202,628) OTHER FINANCING SOURCES (USES) Transfers from other funds 957,521 (16,472) - 941,049	•		16,043,426	12	205,253	11-11-12	190,749		16,439,428
OTHER FINANCING SOURCES (USES) Transfers from other funds 957,521 (16,472) - 941,049	, , , , , , , , , , , , , , , , , , , ,								
Transfers from other funds 957,521 (16,472) 941,049	revenues over expenditures		(1,534,871)	_	(39,319)	()	1,371,562		(202,628)
	OTHER FINANCING SOURCES (US	ES)							
- 0 1 11 0 1	Transfers from other funds		957,521		(16,472)		7 <u>4</u>		941,049
Fransfers to other funds (739,082) (739,082)	Transfers to other funds		₩.		<u> </u>		(739,082)		(739,082)
Sale of suplus property - 20,350 20,350			<u></u>		\ <u>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</u>		20,350		20,350
Issuance of debt 601,050 - 601,050			601,050		=		75		601,050
Total other financing sources	Total other financing sources					7500			72100 %
(uses) 1,558,571 (16,472) (718,732) 823,367	•			_					
Net change in fund balance 23,700 (55,791) 652,830 620,739	Net change in fund balance		23,700		(55,791)		652,830		620,739
Fund balances, beginning 13,033,585 104,006 2,691,290 15,828,881									
Fund balances, ending \$ 13,057,285 \$ 48,215 \$ 3,344,120 \$ 16,449,620	Fund balances, ending	\$	13,057,285	\$	48,215	\$	3,344,120	\$	16,449,620

Town of Boone, North Carolina Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds	\$	620,739
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capitalized capital outlay expenditures Depreciation expense Sale of capital assets		927,465 (1,233,964)
Contributions to the pension plan in the current fiscal year are not included in the statement of activities		606,894
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		52,297
OPEB benefit payments paid and administrative costs made in the current fiscal year not included on the Statement of Activities		195,859
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in deferred revenue for tax revenues and the change in accrued interest on taxes.		23,721
The issuance of long-term debt (e.g. bonds, leases) 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, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(280,381)
Change in accrued interest on long-term debt		(≟ 0
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.		
(Increase) Decrease in compensated absences(67,543)Change in pension accruals(1,267,876)Change in OPEB accruals(450,037)		(1,785,456)
Consolidation adjustment for internal balances between the Health Insurance Fund and the Governmental Funds.		146,706
The net revenue of certain activities of the Health Insurance Fund is reported with governmental activities.		(566,578)
Total changes in net position of governmental activities	_\$_	(1,292,698)

Town of Boone, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Fund
For the Year Ended June 30, 2020

				Gener	General Fund					_	Emergency Telephone System Fund	hone System F	pun		
							Variance with Final Budget - Positive	Final Sitive						Variance with Final Budget - Positive	th Final
	,	Original		Final	Actua	Actual Amounts	(Negative)) (e	Original		Finat	Actual Amounts	unts	(Negative)	ve)
Revenues:															
Ad valorem taxes	s	6,193,021	s	6,093,021	s,	6,062,800	 •	(30,221)	s,	\$	1	s,	٠	s,	
Other taxes and licenses		3,796,547		3,796,547		3,655,278	Ė	141,269)			*		1		6
Unrestricted intergovemmental		1,931,860		1,931,860		1,880,850	•	(51,010)			*		ā		ž
Restricted intergovemmental		493,766		493,766		715,578	2	221,812	262,670	029	170,364	=	165,601		(4,763)
Permits and fees		86,500		331,000		278,935	w.	(52,065)					e e		120
Sales and services		1,164,811		1,172,811		1,013,847	Ë	158,964)			*				٠
Investment earnings		200,000		215,000		311,700		96,700			1		333		333
Miscellaneous		827,404		877,879		589,568	2	288,311)		3					ð
Total revenues		14,693,909		14,911,884		14,508,555) 4)	(403,329)	262.670	 e	170,364	=	165,934		(4,430)
Exceptions															
Current:															
General government		3,623,216		6,019,589		3,346,499	2.6	2,673,090			,		•		
Public safety		7,870,002		7,916,963		7,457,577	4	459,386	262.670	2	241,365	×	205,253		36,112
Transportation		3,150,381		3,917,381		2,557,807	1,3	,359,574			. **		×		ж
Economic and physical development		1,600,277		2,064,780		1,900,285	=	164,495			•				
Environmental protection		495,267		495,896		444,625	•,	51,271			1.0		7.00		
Community development (payment to															
component unit)		*		*		x					•		*		,
Debt service:															
Principal retirement		321,750		321,750		320,669		1,081			(. *)				œ
interest and other charges		10,555		16,055		15,963		95			e		•		*
Contingency		*				,									
Total expenditures		17,071,448		20,752,414		16,043,426	4,70	4,708,988	262,670	 	241,365	30	205,253		36,112
Revenues over (under) expenditures		(2,377,539)		(5,840,530)		(1.534,871)	4,30	4,305,659			(71,001)		(39,319)		31,682
Other financing sources (uses):															
Transfers from other funds		1,063,585		952,521		957,521		2,000			21	5	(16,472)	•	(18,472)
Transfers to other funds		ī		/10		a.		•			(21,305)		c		21,305
Issuance of debt		633,050		633,050		601,050	8	(32,000)			۲				×
Appropriated fund balance		680,904		4,254,959		-	(4,2	(4,254,959)			92,306				(92,306)
Total other financing sources (uses)		2.377,539		5,840,530		1,558,571	(4,28	(4,281,959)			11,001	7	(16,472)		(87,473)
Net change in fund balance	S		S	•		23,700	•	23,700	6	<u>ا</u>	•	.	(55,791)	•	(55,791)
Fund balances, beginning						13,033,585						٦	104,006		
Fund balances, ending					"	13,057,285						8	48,215		

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

Town of Boone, North Carolina Statement of Fund Net Position Proprietary Funds June 30, 2020

	Enterprise Fund Water and	Internal Service Fund		
	Sewer Fund	Insurance Fund		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 19,212,421	\$ 484,632		
Intergovernmental taxes receivable	4 649 200	4 254		
Accounts receivable, net Inventories	1,648,300 1,021,830	1,354		
Restricted cash and cash equivalents	308,389			
Total current assets	22,190,940	485,986		
				
Noncurrent assets:				
Net pension asset Capital assets:				
Land and other non-depreciable				
assets	4,717,618			
Other capital assets, net of	., ,			
depreciation	55,448,697			
Total noncurrent assets	60,166,315			
Total assets	82,357,255	485,986		
DEFENDED OUTEL ONG OF DESCRIPTION				
DEFERRED OUTFLOWS OF RESOURCES Contributions to the pension plan	362,981			
Contributions to the OPEB plan	64,253			
Deferred charges	0.4,200			
Total deferred outflows of resources	427,234			
		*		
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	148,778	123,961		
Compensated absences, current	120,000	123,901		
Bond payable - current	477,000			
Notes payable - current	132,433	9 2 2		
Accrued interest	70,211	757		
Payable from restricted assets	308,389			
Total current liabilities	1,256,811	123,961		
Noncompatinabilities				
Noncurrent liabilities: Net pension liability	761,782	527		
Compensated absences, noncurrent	113,305			
Net OPEB obligation	1,565,163	31 <u>0</u> 0		
Bond payable, noncurrent	31,054,000			
Notes payable, noncurrent	44,009	- A.		
Total noncurrent liabilities	33,538,259			
Total liabilities	34,795,070	123,961		
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	38,927			
OPEB deferrals	310,021	772.5 3 ≆ 1		
Bond anticipation note premium		· · · · · · · · ·		
Total deferred inflows of resources	348,948	•		
NET POSITION	20 450 070			
Net investment in capital assets Unrestricted	28,458,873	262.025		
Total net position	19,181,598 \$ 47,640,471	362,025 \$ 362,025		
	Ψ ΤΙ, ΌΤΟ, ΤΙ Ι	₩ 002,020		
Adjustment to reflect the consolidation of internal service				
fund activities related to enterprise funds.	60,542			
·				
Net position of business-type activities	\$ 47,701,013			

Town of Boone, North Carolina Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds For the Year Ended June 30, 2020

		erprise Fund Vater and	Se	Internal rvice Fund nsurance
	Se	ewer Fund		Fund
OPERATING REVENUES Charges for services and products Water and sewer connection fees Septic tank discharge fees Other operating revenues	\$	6,883,169 1,465,636 158,350 484,873	\$	2,020,866
Total operating revenues		8,992,027		2,020,866
OPERATING EXPENSES Administration Water operations Water treatment plant Sewer operations Sewer plant operations Utilities billing and accounting Bad debt expense Depreciation and amortizaiton Total operating expenses	12 <u></u>	670,649 1,100,042 981,932 808,544 1,560,767 323,978 1,108,213 2,193,557 8,747,682		2,587,736 - - - - - - 2,587,736
Operating income (loss)	e 	244,345	-	(566,870)
NONOPERATING REVENUES (EXPENSES) Investment earnings Sale of capital assets Interest and other charges Total nonoperating revenue (expenses)	s	194,328 10,911 (900,805) (695,566)		292 - - 292
Income (loss) before contributions and transfers		(451,221)		(566,578)
Capital contributions Transfers from other funds Transfers to other funds		- - (201,967)		<u>.</u>
Change in net position Total net position, beginning Total net position, ending	\$	(653,188) 48,293,659 47,640,471	\$	(566,578) 928,603 362,025
Change in net position Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	\$	(653,188) (146,706 <u>)</u>		
Change in net position - business-type activities	\$	(799,894)		

Town of Boone, North Carolina Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2020

	Enterprise Fund Water and Sewer Fund	Internal Service Fund Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 12,702,710	\$ 2,019,512
Cash paid to employees for services	(2,227,210)	5.5
Cash paid for goods and services	(4,497,274)	(2,573,485)
Net cash provided (used) by operating activities	5,978,226	(553,973)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds		85
Transfers to other funds	(201,967)	18
Total cash flows from noncapital financing activities	(201,967)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(196,995)	-
Proceeds from sale of fixed assets	10,911	2
Grant proceeds	-	
Proceeds from issuance of debt	87,334	
Principal paid on bonds and notes Interest paid on bonds and notes	(618,937) (900,805)	-
Net cash provided (used) by capital and related financing activities	(1,618,492)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	194,328	292
Net increase (decrease) in cash and cash equivalents	4,352,095	(553,681)
Balances, beginning	15,168,715	1,038,313
Balances, ending	\$ 19,520,810	\$ 484,632
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 244,345	\$ (566,870)
Adjustments to reconcile operating income to net cash provided by operating activities:	(
Depreciation and amortization Changes in assets and liabilities:	2,193,557	2
(Increase) decrease in accounts receivable	3,702,457	(1,354)
(Increase) decrease in intergovernmental receivable (Increase) decrease in inventory	(415,302)	•
(Increase) decrease in inventory	(413,302)	
(Increase) decrease in deferred outflows of resources for pensions	77,806	
(Increase) decrease in deferred outflows of resources for OPEB	9,672	2
Increase (decrease) in net pension liability	96,438	*
Increase (decrease) in deferred inflows of resources for pensions	(716)	<u> </u>
Increase (decrease) in deferred inflows of resources for OPEB	176,569	*
Increase (decrease) in deferred inflows of resources for bond premium Increase (decrease) in accounts payable and accrued liabilities	(50.075)	44.054
Increase (decrease) in accounts payable and accrued liabilities Increase (decrease) in compensated abscences	(56,275)	14,251
Increase (decrease) in compensated abscences Increase (decrease) in net OPEB obligation	38,889 (96,419)	₹ ≘
Increase (decrease) in accrued interest	(1,021)	
Increase (decrease) in customer deposits	8,226	
Total adjustments	5,733,881	12,897
Net cash provided by operating activities	\$ 5,978,226	\$ (553,973)

Notes to the Basic Financial Statements Year ended June 30, 2020

I. Summary of Significant Accounting Policies:

The accounting policies of the Town of Boone (the "Town") and its discretely presented component units conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation, which is governed by an elected mayor and a five-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town and its component units, legally-separate entities for which the Town is financially accountable. The discretely presented component units described below are reported in separate columns in the Town's government-wide financial statements in order to emphasize that they are legally separate from the Town.

Town of Boone ABC Board

The members of the Town of Boone ABC Board's ("the Board") governing board are appointed by the Town. In addition, the Board is required by State statute to distribute its surpluses to the General Fund of the Town. The Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the Board may be obtained from the entity's administrative offices at: Town of Boone ABC Board, 2067 Blowing Rock Road, Boone, NC 28607.

Boone Tourism Development Authority

The members of the Town of Boone Tourism Development Authority ("the Tourism Authority") governing board are appointed by the Town and the Tourism Authority is fiscally dependent on the Town. The Town collects room occupancy tax for the Tourism Authority, which is its main source of revenue. The Tourism Authority, which has a June 30 year-end, is presented as if it were a governmental fund (discrete presentation). Complete financial statements for the Tourism Authority may be obtained from the entity's administrative offices at: Boone Tourism Development Authority, 815 W. King Street, Suite 10, Boone, NC 28607.

Downtown Boone Development Association

The members of the Downtown Boone Development Association ("the DBDA") governing board are appointed by the Town and the DBDA is fiscally dependent on the Town. The Town collects property taxes for the DBDA. The DBDA which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the DBDA may be obtained from the entity's administrative offices at: Downtown Boone Development Association, 604 W. King Street, Boone, NC 28607.

B. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the primary government and its component units. 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

Notes to the Basic Financial Statements Year ended June 30, 2020

generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Businesstype 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 or 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 – governmental and proprietary – are presented. The emphasis of 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 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.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and State-shared revenues. The primary expenditures are for public safety, streets and highways, sanitation, parks and recreation, libraries, and governmental services.

Special Revenue Funds:

Emergency Telephone System Fund – This fund is used to account for the revenues and expenditures related to the emergency 911-telephone system.

The Town reports the following non-major governmental funds:

Rural Fire District Fund – This fund is used to account for taxes collected within the Rural Fire Service District for fire protection provided by the Boone Fire Department.

Municipal Service District Fund – This fund is used to account for the taxes collected within the Municipal Service District for improvements to the downtown area.

Notes to the Basic Financial Statements Year ended June 30, 2020

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. A Water and Sewer Capital Projects Fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Projects Fund has been included in the supplemental information.

The Town reports the following fund types:

Internal Service Fund – The Insurance Fund is used to account for employees' health and dental insurance.

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 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.

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

Notes to the Basic Financial Statements Year ended June 30, 2020

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 60 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 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 in the County, including the Town of Boone. 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 a shared revenue for the Town of Boone because the tax is levied by Watauga County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because they generally 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, Special Revenue and Enterprise Funds. All annual appropriations lapse at the fiscal-year end. The Town's Insurance fund, an intra-governmental services fund, operates under a financial plan that was adopted by the governing board at the time the Town's budgets ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. The Town Manager is authorized by the budget ordinance to transfer appropriations within and between departments of the same fund but cannot transfer any amounts between funds without Council approval. During the year, several immaterial amendments to the original budget were necessary and have been reflected in the statements presented. 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.

Notes to the Basic Financial Statements Year ended June 30, 2020

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

Deposits and Investments

All deposits of the Town and its component units are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and its component units may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and its component units may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town and its component units to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust, (NCCMT). The Town's and its component units' investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT- Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term Portfolio 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.

Cash and Cash Equivalents

The Town pools monies 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. The component units consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposits were collected. Unspent grant funds restricted by the granting agency are restricted to the purpose outlined in the grant agreement. 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.

Notes to the Basic Financial Statements Year ended June 30, 2020

Town of Boone Restricted Cash **Governmental Activities** General Fund 409,725 Streets \$ Total governmental activities 409,725 **Business-type Activities** Water and Sewer Fund Customer deposits 308,389 Total business-type activities 308,389 Total Restricted Cash 718.114

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July, 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, 2015. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

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.

Inventories

The inventories of the Town and its component units are valued at the lower of cost (first-in, first-out), or market. The Town's General Fund inventories consist of materials and supplies held for consumption. The cost of these inventories is recorded as an expense as the inventories are consumed.

The inventories of the Boone ABC Board consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when sold rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. 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. The original cost of certain items acquired before July 1, 1970, is recorded at an estimated original cost. The total of such estimates is not

Notes to the Basic Financial Statements Year ended June 30, 2020

considered large enough that errors would be material when the capital assets are considered as a whole. General infrastructure assets acquired prior to July 1, 2002, consist of the road network 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 of the Town are depreciated using the straight-line method over the following estimated useful lives:

	Estimated
Asset Class	Useful Lives
Buildings and improvements	50 years
Infrastructure	25-50 years
Vehicles and motorized equipment	5-15 years
Machinery and equipment	3-30 years

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	Estimated
Asset Class	Useful Lives
Buildings and Improvements	20 years
Furniture and Equipment	5-10 years
Computer Equipment	5-7 years

Capital assets of the Downtown Boone Development Association are being depreciated over their estimated useful lives on a straight-line basis as follows:

	Estimated
Asset Class	Useful Lives
Office furniture and equipment	1-5 years
Artwork	(non-depreciable)

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 two items that meet this criterion, pension deferrals, and OPEB deferrals. 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 several items that meet the criterion for this category – prepaid taxes, property taxes receivable, and pension deferrals.

Long-Term Obligations

In the government-wide financial statements, 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, as well as issuance costs, are

Notes to the Basic Financial Statements Year ended June 30, 2020

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 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. Premiums received on debt issuances are 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.

Compensated Absences

The vacation policies of the Town provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. 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 has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Prior to 1996, the Town allowed exempt employees to accumulate "overtime" to be taken off at a future date. This policy has been discontinued but a liability for compensated absences earned under the policy remains.

Net Position / Fund Balances

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the 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.

Notes to the Basic Financial Statements Year ended June 30, 2020

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 the 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 – portion of fund balance that is restricted by revenue source for certain emergency telephone system expenditures.

Restricted for Economic Development – portion of fund balance restricted for economic development [G.S. Chapter 159, Article 3, Part 2.]

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Boone's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance - portion of fund balance that the Town intends to use for a specific purpose.

Notes to the Basic Financial Statements Year ended June 30, 2020

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.

Capital projects – portion of fund balance that is intended to be used for capital projects.

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

The Town of Boone has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 35% of budgeted expenditures. Any portion of the general fund balance in excess of 35% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

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 Boone's employer contributions are recognized when due and the Town of Boone 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.

II. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town and the component units 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 or the component units' agents in their 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 component units, these deposits are considered to be held by the Town's and the component units' agent in their names. The amount of the pledged collateral is based on an approved averaging method for noninterest-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 or the component units under the Pooling Method, the potential exists for undercollateralization, 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 and the component

Notes to the Basic Financial Statements Year ended June 30, 2020

units have no policy regarding custodial credit risk for deposits but rely on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$ 24,151,561 and a bank balance of \$23,812,258. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$22,812,258 was covered by collateral held under the Pooling Method.

At June 30, 2020, the ABC Board's deposits had a carrying amount of 1,242,751 and a bank balance of \$1,222,363. Of the bank balance, \$250,000 was covered by federal depository insurance. The remaining balance was covered under the pooling method.

At June 30, 2020, the Tourism Authority's deposits had a carrying amount of \$1,118,275 and a bank balance of \$1,156,829. Of the bank balance, \$250,000 was covered by federal depository insurance. The remaining balance was covered under the pooling method.

At June 30, 2020, the Development Association's deposits had a carrying amount of \$43,213 and a bank balance of \$43,213. All of the bank balance was covered by federal depository insurance.

2. Investments

At June 30, 2020, the Town had \$11,831,519 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Town has no policy regarding credit risk.

3. Receivables – Allowances for Doubtful Accounts

The amount of taxes receivable presented in the Balance Sheet and the Statement of Net Position includes penalties levied and outstanding in the amount of \$0.

The amounts presented in the Balance Sheet and the Statement of Net Position are net of the following allowances for doubtful accounts:

Fund	June	30, 2020
Governmental Funds:	-	
Taxes receivable	\$	50,000
Municipal Service District:		
Taxes receivable		1,000
Enterprise Fund:		
Accounts receivable		9.5
Total	\$	51,000

Notes to the Basic Financial Statements Year ended June 30, 2020

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,508,685	\$ 201,305	\$ =	\$ 5,709,990
Construction in progress	·	137,127_		137,127
Total capital assets not being depreciated	5,508,685	338,432		5,847,117
Capital assets being depreciated:				
Infrastructure	4,323,626	+	<u> </u>	4,323,626
Buildings	6,201,604		. I	6,201,604
Equipment and furniture	5,117,216	304,192	¥	5,421,408
Vehicles	8,783,411_	284,841	(587,729)	8,480,523_
Total capital assets being depreciated	24,425,857	589,033	<u>(587,729)</u>	24,427,161
Less accumulated depreciation for:				
Infrastructure	3,333,846	47,484	8	3,381,330
Buildings	2,796,595	163,750	-	2,960,345
Equipment and furniture	4,036,369	330,614	-	4,366,983
Vehicles	5,506,738	692,116_	(587,729)	5,611,125
Total accumulated depreciation	15,673,548	\$ 1,233,964	\$ (587,729)	16,319,783
Total capital assets being depreciated, net	8,752,309			8,107,378
Governmental activity capital assets, net	\$ 14,260,994			\$13,954 <u>4</u> 95

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

General Government	\$ 238,791
Public Safety	652,791
Transportation	39,788
Public Works	 302,594
	\$ 1,233,964

Business-type activities:

Water/Sewer Fund:

Capita	l asset	s not	being	j de	preci	ated:
--------	---------	-------	-------	------	-------	-------

Land	\$	4,717,618	\$	-	\$	3 = 3	\$ 4,717,618
Construction in progress				-		74	
Total capital assets not being depreciated	Si	4,717,618			7-5-		4,717,618
Capital assets being depreciated:	07			140003100			
Plant and distribution systems		77,002,890		57,821		-	77,060,711
Furniture and maintenance equipment		4,047,947		51,654		F#	4,099,601
Equipment		1,093,924		87,520		(52,294)	1,129,150
Total capital assets being depreciated		82,144,761	- transact	196,995		(52,294)	82,289,462
Less accumulated depreciation for:							
Plant and distribution systems		20,033,289		1,933,977		(-	21,967,266
Furniture and maintenance equipment		3,819,063		58,146		3.575	3,877,209
Equipment		847,150		201,434		(52,294)	996,290
Total accumulated depreciation	70	24,699,502	\$	2,193,557	\$	(52,294)	26,840,765
Water/Sewer capital assets, net		57,445,259	-				55,448,697
Business-type activites capital assets, net	\$	62,162,877					\$60,166,315

Notes to the Basic Financial Statements Year ended June 30, 2020

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2020 was as follows:

ABC Board	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:			1	
Land	\$ 314,654	\$ -	\$ -	\$ 314,654
Construction in progress		<u> </u>	<u> </u>	
Total capital assets not being depreciated	314,654		•	314,654
Capital assets being depreciated:	#X		2007	·
Buildings and improvements	1,321,483	-		1,321,483
Equipment and furniture	80,573	<u>14</u> 2	<u> </u>	80,573
Computer equipment	138,523	1000 1000 1000 1000		138,523_
Total capital assets being depreciated	1,540,579_	- 	# <u>*</u>	1,540,579
Less accumulated depreciation for:				
Buildings and improvements	417,430	27,131	/ **	444,561
Equipment and furniture	76,393	1,459	-	77,852
Computer equipment	<u>129,291</u>	3,922		133,213
Total accumulated depreciation	623,114	\$ 32,512	\$ -	655,626
Total capital assets being depreciated, net	917,465			<u>884,953</u>
ABC Board capital assets, net	\$1,232,119			<u>\$1,199,607</u>

Activity for the Downtown Boone Development Association for the year ended June 30, 2020, was as follows:

Downtown Boone Development Association		eginning alances	Incr	eases	Decre	eases	Inding alances
Capital assets not being depreciated:							
Construction in progress	\$	3#62	\$; ₩ (\$	<u>~</u>	\$ 943
Artwork		33,705					33,705
Total capital assets not being depreciated	*	33,705		- 3	-	<u> </u>	33,705
Capital assets being depreciated:							
Furniture and equipment		:=:		-		-	-
Total capital assets being depreciated		-		-			
Less accumulated depreciation for:							
Furniture and equipment				H-17		_	<u> </u>
Total accumulated depreciation		-	\$		\$	-	-
Total capital assets being depreciated, net		3 # 2			-		-
DBDA capital assets, net	\$	33,705					\$ 33,705

Notes to the Basic Financial Statements Year ended June 30, 2020

Activity for the Tourism Development Authority for the year ended June 30, 2020, was as follows:

Tourism Development Authority		ginning alances	Incre	ases_	Decre	eases_	nding lances
Capital assets being depreciated:							
Furniture and equipment	\$	1,760	\$	_	\$	-	\$ 1,760
Computer equipment	-	3,529		2			3,529
Total capital assets being depreciated		5,289		-	-		5,289
Less accumulated depreciation for:							
Furniture and equipment		1,760		2		₩.	1,760
Computer equipment	_	3,529		<u> </u>		8	3,529
Total accumulated depreciation	000	5,289	\$		\$		5,289
Total capital assets being depreciated, net		*:					-
TDA capital assets, net	\$						\$

B. Liabilities

1. Accounts Payable and Accrued Items

Payables and accrued items at June 30, 2020, were as follows:

					Go	vernment-w	ide F	inancial S	tate	ments		
			Fu	nd Financial	Stat	ements						
				mergency elephone	٧	later and	N	onmajor			Adjustments to	
	·-	General		System		Sewer		Funds		Total	Full-Accrual	Total
Payables and accrued items												
Vendors	\$	293,961	\$	23,753	\$	39,488	\$	6,269	\$	383,471	\$ -	\$ 363,471
Accrued payroll and related liabilities		262,723		=		109,290				372,013	2	372,013
Accrued interest payable				9		70,211		-		70,211	-	70,211
Bid bonds and other deposits		79,737				308,389		-		388,126	-	388,126
Impact fees payable		12		-		32		2		772	-	-
Claims payable and incurred but not reported	,			-						15 5	123,961	123,961
Total accounts payable and accrued liabilities	\$	636,421	\$	23,753	\$	527,378	\$	6,269	\$	1,193,821	\$ 123,961	\$ 1,317,782

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Boone 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 exofficio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

Notes to the Basic Financial Statements Year ended June 30, 2020

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. 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.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Boone 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 Boone's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.00% for general employees and firefighters, 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 Boone were \$779,553, for the year ended June 30, 2020.

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.

Notes to the Basic Financial Statements Year ended June 30, 2020

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

At June 30, 2020, the Town reported a liability of \$3,630,488 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset 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, 2019 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension asset 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, 2019 (measurement date), the Town's proportion was 0.13294%, which was a decrease of 0.00174% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$1,563,029. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	 red Outflows Resources	De	ferred Inflows of Resources
Differences between expected and actual experience	\$ 621,631	\$	
Changes of assumptions	591,709		<u>u</u>
Net difference between projected and actual earnings on			
pension plan investments	88,553		-
Changes in proportion and differences between employer contributions and proportionate share of contributions Employer contributions subsequent to the measurement	(-)		147,705
date	 779,553		
Total	\$ 2,081,446	\$	147,705

\$779,553 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 591,884
2022	159,371
2023	316,887
2024	86,046
2025	=
Thereafter	 -
	\$ 1,154,188

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Notes to the Basic Financial Statements Year ended June 30, 2020

Inflation

3.0 Percent

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.

The actuarial assumptions used in the December 31, 2018 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 return 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:

Asset Class	Target Allocation	Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Altematives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
	100.0%	5.) - 3
	· · · · · · · · · · · · · · · · · · ·	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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.

Notes to the Basic Financial Statements Year ended June 30, 2020

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.

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 asset calculated using the discount rate of 7.00 percent, 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 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	
	(6.00%)	(7.00% <u>)</u>	1% Increase (8.00%)
Town's proportionate share of the net	8		
pension liability (asset)	8,303,589	3,630,488	(253,806)

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

b. Law Enforcement Officers' Special Separation Allowance

1) Plan Description

The Town administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or who have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated plan members entitled to but	
not yet receiving benefits	5
Active plan members	35
Total	41

Notes to the Basic Financial Statements Year ended June 30, 2020

2) Summary of Significant Accounting Policies

Basis of Accounting. The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

3) Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.50 Percent

Salary increases 3.50 to 8.10 percent, including inflation and

productivity factor

Discount rate 2.98 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

4) Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$52,297 as benefits came due for the reporting period.

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

At June 30, 2020, the Town reported a total pension liability of \$1,324,172. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the Town recognized pension expense of \$51,032.

Notes to the Basic Financial Statements Year ended June 30, 2020

		eferred Outflows of Resources	D	Deferred Inflows of Resources		
Differences between expected and actual experience	\$		\$	34,800		
Changes of assumptions and other inputs		62,607		37,408		
Benefit payments and administrative expenses subsequent to the measurement date		52,297				
Total	\$	114,904	\$	72,208		

\$52,297 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized as follows:

Year ended Jur	ne 30:	
2021	\$	(3,342)
2022		(1,630)
2023		(3,782)
2024		(1,912)
2025		1,065
Thereafter		-
	\$	(9,601)

Sensitivity of the Town's total pension liability to changes in the discount rate.

The following represents the Town's total pension liability calculated using the discount rate of 3.26 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) that the current rate:

	1% Decrease	Current Discount Rate	
	(2.26%)	(3.26%)	1% Increase (4.26%)
Total pension liability	1,426,815	1,324,172	1,230,108

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

	2020
Beginning balance	1,299,713
Service cost	51,040
Interest on the total pension liability	45,775
Changes of benefit terms	.≅.ú
Differences between expected and actual experience in	
the measurement of the total pension liability	(24,782)
Changes of assumptions or other inputs	36,727
Benefit payments	(84,301)
Other changes	***
Ending balance of the total pension liability	1,324,172

The plan currently uses mortality tables that vary by age, 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.

Notes to the Basic Financial Statements Year ended June 30, 2020

population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	_	LGERS	LEOSSA	TOTAL
Pension Expense	\$	1,563,029	\$ 51,032	\$ 1,614,061
Pension Liability		3,630,488	1,324,172	4,954,660
Proportionate share of the net pension liability		0.13294%	n/a	
Deferred of Outlfows of Resources				
Differences between expected and actual experience		621,631	9	621,631
Changes of assumptions		591,709	62,607	654,316
Net difference between projected and actual earnings on				
plan investments		88,553	•	88,553
Changes in proportion and differences between				
contributions and proportionate share of contributions		(4)	327	2
Benefit payments and administrative costs paid				
subsequent to the measurement date		779,553	52,297	831,850
Deferred of Inflows of Resources				
Differences between expected and actual experience		-	34,800	34,800
Changes of assumptions		-	37,408	37,408
Net difference between projected and actual earnings on				
plan investments		-	5 =	#
Changes in proportion and differences between				
contributions and proportionate share of contributions		147,705	84	147,705

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan administered by the Department of State Treasurer and Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

Notes to the Basic Financial Statements Year ended June 30, 2020

d. Other Postemployment Benefits

Healthcare Benefits

Plan Description: Under the terms of the Town of Boone's personnel policy, the Town administers a single employer defined benefit Healthcare Plan. This plan provides postemployment healthcare benefits until a retiree is eligible for Social Security retirement or disability benefits, and Medicare benefits, employees who wish to retain health insurance benefits through the Town and who retire from the Town under the North Carolina Local Government Employees' Retirement system with 20 years of service with the Town, shall have 50% of their health insurance premiums paid by the Town; and for each additional year of service after twenty, the Town will pay an additional 2.5% of the premium up to a maximum payment of 75% of the total premium for 30 years or more of service. Other retired employees with less than 20 years of service may continue health care insurance for themselves as allowed under the Town's group policy; however, these employees must pay for the full cost of such coverage. Entitlement for continuation coverage for health benefits is conditioned upon a retiring employee's timely submission of a written request, on such forms as may be provided by the Town for that purpose indicating his or her wish to continue health insurance coverage. Once continuation coverage is elected, the retired employee must pay his or her portion of the premium by the first of each month. Failure to timely pay the required premium may result in termination of coverage. Once coverage has been discontinued, it cannot be reinstated. The spouse of a retiring employee is eligible for continuation coverage of health insurance, assuming such coverage is available through the plan, only when the spouse has elected and maintained health insurance coverage for at least five continuous years before the employee's retirement date. However, the spouse of a retiring employee is not entitled to continue health care coverage after the retiring employee's health care coverage ends. The employee is responsible for 100% of the costs of post-retirement spousal health insurance coverage ends.

	Date	Hired
	Pre-July 1,	Post July 1,
Retired Employees' Years of Creditable Service	1990	1990
	Not eligible	Not eligible
Less than 5	for coverage	for coverage
5-20 years	Coverage paid by employee	Coverage paid by employee
20+ years	Full coverage paid by Town	Maximum of 75% paid by the Town

Notes to the Basic Financial Statements Year ended June 30, 2020

Membership in the Healthcare Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

	General Employees:	Firefighters:	Law Enforcement Officers:
Retirees and dependents receiving benefits Terminated plan members entitled to but not	16	1	8
yet receiving benefits	0	0	0
Active plan members	120	25	35
Total	136	26	43

Total OPEB Liability

The Town's total OPEB liability of \$5,852,070 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date. *Actuarial assumptions and other inputs*. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases, including inflation	
General Employees	3.50-7.75 percent
Firefighters	3.50-7.75 percent
Law Enforcement Officers	3.50-7.35 percent
Discount rate	3.50 percent
Healthcare cost trend rates	
Pre-Medicare	7.00 percent for 2019 decreasing to an ultimate rate of
	4.50 percent by 2026.

The discount rate used was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer, and the Municipal Bond Index rate as of the measurement date as the discount rate to measure the TOL.

Changes in the Total OPEB Liability

То	
Balance at July 1, 2019 \$	6,221,331
Changes for the year	
Service cost	314,199
Interest	239,084
Changes of benefit terms	
Differences between expected and actual experience	(853,227)
Changes in assumptions or other inputs	82,576
Benefit payments	(151,893)
Other	· ·
Net changes	(369,261)
Balance at June 30, 2020	5,852,070

Notes to the Basic Financial Statements Year ended June 30, 2020

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
	(2.50%)	Rate (3.50%)	(4.50%)
Total OPEB liability	6,418,433	5,852,070	5,340,661

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease			Current	1% Increase		
Total OPEB Liability	\$	5,199,980	\$	5,852,070	\$	6,624,178	

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Town recognized OPEB expense of \$609,075. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Deferred Inflows of

F	Resources		Resources
\$	-	\$	822,924
	72,722		360,998
	265,073		-
\$	337,795	\$	1,183,922
		72,722 265,073	\$ - \$ 72,722 265,073

\$265,073 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Notes to the Basic Financial Statements Year ended June 30, 2020

Year ended June 30:

2021	\$ (167,150)
2022	(167, 150)
2023	(167,150)
2024	(167,150)
2025	(167,150)
Thereafter	(275,450)
	\$ (1,111,200)

3. Other Employment Benefit

The Town has also 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 month's 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. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. 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. Contributions are determined as a percentage of monthly payroll based upon rates established by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

4. Deferred Outflows and Inflows of Resources

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

Contributions to the pension plan in the current fiscal year Benefit payments made and administrative expenses for LEOSSA	\$	779,553
		52,297
Benefit payments and administrative expenses for		
OPEB made subsequent to the measurement date		265,073
Differences between expected and actual experience		621,630
Changes of assumptions		727,038
Net difference between projected and actual earnings on plan		
investments		88,553
Changes in proportion and differences between employer		,
contributions and proportional share of contributions		_
Charge on refunding		82
	\$ 2	2,534,144

Notes to the Basic Financial Statements Year ended June 30, 2020

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

	Net	Position	Balance		
Prepaid taxes (General Fund)	\$	je	\$	-	
Taxes Receivable, less penalties (General Fund)				48,978	
Changes in assumptions		860,332		-	
Differences between expected and actual experience		395,799		2	
Changes in proportion and differences between employer contributions and proportionate share of contributions		147,705			
Bond anticipation note premium			· ·	<u></u>	
	\$ 1,	403,836	\$	48,978	

Statement of

General Fund

5. 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 protects itself from potential loss through a combination of risk-sharing participation, purchase of commercial insurance for primary and/or excess liability coverage and self-funded risk retention. Self-funded risks are for employee health and dental insurance.

All operating funds of the Town participate in the risk management program and make payments to the Insurance Fund based on the insured fund's historical claim's experience. Payments are for prior and current years' claims and to establish a reserve for catastrophic losses.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but are not reported (IBNRs), based on historical experience. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded self-retained or purchased insurance coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the City'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 and a Contingent Liabilities bond. The finance officer and tax collector are each individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$20,000.

a. General Insurance

The Town maintains insurance through commercial companies that provide the following types of major coverage for the amounts of retained risk noted: general liability (\$2,000,000), property (\$25,000,000) and worker's compensation (\$1,000,000 per occurrence). The wastewater treatment plant is covered by flood insurance of \$500,000 for building and \$100,000 for contents. Limited flood insurance has been obtained for other buildings and contents located in flood zones B, C, or X.

Notes to the Basic Financial Statements Year ended June 30, 2020

b. Health Insurance

The Town provides for health insurance benefits in its Insurance Fund. This is a self-funded program, supplemented by employee contributions, to pay medical claims of employees and their covered dependents. Actual claims administration is contracted to and administered by Blue Cross and Blue Shield of North Carolina. Medical claims exceeding \$50,000 per employee are covered by HCC Life Insurance Company.

The change in liability for claims incurred but not reported is as follows:

	June 30, 2020		June 30, 2019		
Liability balance at beginning of year	\$ 109,710	\$	75,927		
Claims and changes in estimates	2,587,736		2,186,617		
Claims payments	(2,573,485)	. —	(2,152,834)		
Liability balance at end of year	\$ 123,961	<u>\$</u>	109,710		

6. Claims, Judgments and Contingent Liabilities

At June 30, 2020, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

7. Long-Term Obligations

a. Installment Purchase

At June 30, 2020 the town has the following installment purchases payable:

Serviced by the General Fund:

Direct borrowing note payable, due December 2022, face amount \$500,000, due in annual installments of \$29,097, including interest at		*
2.71%, collateraized by equipment.	\$	166,717
Direct borrowing note payable, due June 2021, face amount \$163,200, due in semi-annual installments of \$21,648, including interest at 2.75%, collateraized by equipment.		43,453
Direct borrowing note payable, due June 2021, face amount \$204,095, due in semi-annual installments of \$52,921, including interest at 2.98%, collateraized by equipment.		96,406
Direct borowing note payable, due June 2022, face amount \$321,050, due in semi-annual installments of \$81,769, including interest at 1.47%, collateralized by equipment.		321,050
Direct borowing note payable, due June 2024, face amount \$280,000, due in semi-annual installments of \$36,184, including interest at 1.47%, collateralized by equipment.		280,000
Total Governmental Fund	•	907.626
i otal Governmental Pullu	_\$	901,020

Notes to the Basic Financial Statements Year ended June 30, 2020

Serviced by the Water and Sewer Fund:

Direct borrowing note payable, due June 2021, face amount \$161,995, due in semi-annual installments of \$42,005, including interest at 2.98%, collateraized by equipment. \$89,108

Direct borrowing note payable, due June 2022, face amount \$87,334, due in semi-annual installments of \$22,236, including interest at 1.47%, collateralized by equipment. \$87,334

Total Business-type Funds: \$176,442

Annual debt service payments of the installment purchases, including interest, are as follows:

	Governmental Activities			Business-type Activities					
	P	Principal		Interest		Principal		Interest	
Notes payable:									
2021	\$	421,680	\$	14,269	\$	132,433	\$	2,889	
2022		285,585		6,103		44,009		492	
2023		123,786		2,240		*		•	
2024		76,575		798		-		-	
2025		1 980		=		: - :		-	
2026-2030		÷.				¥ .			
Total notes payable	\$	907,626	\$	23,410	\$	176,442	\$	3,381	

b. General Obligation Indebtedness

The Town's general obligation bonds, serviced by the Water and Sewer Fund, were issued for the construction of a raw water intake and are being reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due. In the event of a default, the LGC has the authority to take over management of the Town to ensure the debt is serviced.

Notes to the Basic Financial Statements Year ended June 30, 2020

Bonds payable at June 30, 2020 are comprised of the following individual issues:

General Obilgation Bonds

Serviced by the Water and Sewer Fund:

\$9,000,000, Direct placement General Obligation Water Bonds, Series 2018A, issued for the construction of a raw water intake. Principal installments due on June 1, annually, including interest at 3.125%.	\$	8,761,000
\$8,000,000, Direct placement General Obligation Water Bonds, Series 2018B, issued for the construction of a raw water intake. Principal installments due on June 1, annually, including interest at 3.125%.	\$	7,789,000
\$3,456,000, Direct placement General Obligation Water Bonds, Series 2018C, issued for the construction of a raw water intake. Principal installments due on June 1, annually, including interest at 3.125%.	\$	3,364,000
\$4,544,000, Direct placement General Obligation Water Bonds, Series 2018D, issued for the construction of a raw water intake. Principal installments due on June 1, annually, including interest at 2.25%.	<u>\$</u>	4,398,000
	_\$	24,312,000

Annual debt service requirements to maturity for long-term obligations are as follows:

	Gov	Governmental Activities			Business-type Activities			
	Prir	cipal	Int	erest	F	Principal		Interest
2021	\$,	\$; ,	\$	355,000	\$	883,695
2022	·	Ē	·	3 🚊		365,000	•	870,513
2023		E 5		7:26		376,000		856,959
2024		•3		3 ,= 3		387,000		843,011
2025		5 0		(≅		399,000		828,670
2026-2030		.		-		2,177,000		3,913,413
2031-2035		~ 5		: <u>-</u>		2,520,000		3,488,151
2036-2040		= 0:		: = :		2,915,000		2,998,719
2041-2045		(=)(18		3,372,000		2,435,319
2046-2050		9		(-		3,903,000		1,786,663
2051-2055		***		2 =		4,359,000		1,039,401
2056-2060					7.00 <u>5</u>	3,184,000		218,295
Total payable	\$	-	\$		\$	24,312,000	\$	20,162,809

c. Revenue Bond

The Town's revenue bond, serviced by the Water and Sewer Fund, was issued for the construction of a raw water intake and are being reported as long-term debt in the Water and Sewer Fund. The revenue bond is collateralized by net revenues of the Town's Water and Sewer system. Principal and interest requirements are appropriated when due. In the event of a default, the LGC has the authority to take over management of the Town to ensure the debt is serviced.

Notes to the Basic Financial Statements Year ended June 30, 2020

\$7,456,000, Direct placement Water and Sewer Revenue Bonds, Series 2018A, issued for the construction of a raw water intake. Principal installments due annually on June 1 including interest at 2.25%.

\$ 7,219,000

The future payments of the revenue bond are as follows:

	Governmental Activities			Business-type Activities				
	Pri	ncipal	Interest Prin		Principal		Interest	
2021	\$	*	\$	₩.	\$	122,000	\$	162,428
2022		340		4		125,000		159,683
2023				3 = 3.		128,000		156,870
2024		-				131,000		153,990
2025-2029		-		1401		700,000		724,386
2030-2034				(14)		781,000		642,106
2035-2039						873,000		550,147
2040-2044		-				976,000		447,412
2045-2049		146		6 - 5		1,091,000		332,574
2050-2054		1400		-		1,219,000		204,234
2055-2059	(:=:		-		1,073,000		60,862
Total payable	\$	343	\$		\$	7,219,000	\$	3,594,692

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Balance July 1, 2019	Additions Payments		Balance June 30, 2020	Due in less than one year
Governmental Activities:					
Direct borrowing notes payable	\$ 627,245	\$ 601,050	\$ (320,669)	\$ 907,626	\$ 421,680
Net pension liability (LGERS)	2,529,726	567,930	(228,950)	2,868,706) *
Net pension liability (LEOSSA)	1,299,713	133,542	(109,083)	1,324,172	
Other post employment benefits (OPEB)	4,559,750	408,815	(681,658)	4,286,907	A
Compensated absences	636,246	403,822	(336,279)	703,789	320,000
Total Governmental activities long-term liabilities	9,652,680	2,115,159	(1,676,639)	10,091,200	741,680
Business-type activities:					
Direct placement general obligation bonds	24,657,000	-	(345,000)	24,312,000	355,000
Direct placement revenue bond	7,339,000	,=	(120,000)	7,219,000	122,000
Direct placement bond anticipation notes		-			· · · · ·
Direct borrowing notes payable	243,045	87,334	(153,937)	176,442	132,433
Net pension liability (LGERS)	665,344	182,876	(86,438)	761,782	•
Other post employment benefits (OPEB)	1,661,582	144,467	(240,886)	1,565,163	-
Compensated absences	194,416	45,306	(6,417)	233,305	120,000
Total Business-type activities long-term liabilities	34,760,387	459,983	(952,678)	34,267,692	729,433
Total	\$ 44,413,067	\$ 2,575,142	\$ (2,629,317)	\$ 44,358,892	\$ 1,471,113

Notes to the Basic Financial Statements Year ended June 30, 2020

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2020, consist of the following:

Due to the Water and Sewer Fund for the Water and Sewer Fund's portion of the Insurance Fund's net assets consolidated in the General Fund statements

\$ 60,542

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers to/from other funds at June 30, 2020, consists of the following:

From the Rural Service Fire District to the General Fund to supplement fire department operations and facilities.	_\$_	698,082_
From the Emergency Telephone System to General Fund to	œ	40.470
supplement GIS mapping associated with E-911 operations.	<u> </u>	16,472_
From the Municipal Service District to the General Fund to		
support the staffing, and operations of the DBDA & the Jones House.	_\$_	41,000
From the Water and Sewer Fund to the General Fund to		
cover costs of administration provided by Town management.	\$	201,967

Transfers are used to move unrestricted revenues to support 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.

Due to/from primary government and component units:

Authority			148,219
Boone Tourism Development	General Fund		
Component unit:	Primary Government:		
Remittance of quarterly profit distribution	ion to primary government		
Primary Government: General Fund	Component unit: Boone ABC Board	\$	142,071
	·		
Remittance of Town's portion of occup	ancy tax	-	
	Development Authority	\$	74,852
General Fund	Boone Tourism		
Primary Government:	Component unit:	-	
Receivable Entity	Payable Entity		Amount

Remittance of gross occupancy tax for the month of June 30, 2020

Notes to the Basic Financial Statements Year ended June 30, 2020

During the 2020 fiscal year, the Town made an annual transfer from the Rural Service Fire District Fund of \$698,082 to the General Fund, which was composed of collected fire protection taxes that support fire operations and facilities in the General Fund. A transfer of \$41,000 was made from the Municipal Service District to the General fund to support DBDA staffing, and operations. A transfer of \$16,472 from the Emergency Telephone System Fund to the General Fund was made to support the GIS mapping and addressing projects associated with E-911.

D. Net Investment in Capital Assets

	G	verimentai	business-Type
Capital Assets	\$	13,954,495	\$ 60,166,315
less: long-term debt		(907,626)	(31,707,442)
add: unexpended debt proceeds		2 7	3 7 5
	\$	13,046,869	\$ 28,458,873

Covernmental

Pusiness Type

E. 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	\$	13,057,285
Less:		
Stablization by State Statute		1,182,496
Streets		409,725
Inventories		3 2 53
Appropriated Fund Balance in 2021 budget		1,387,154
Working capital / Fund balance policy		5,615,199
Remaining fund balance	1	4,462,711

The Town of Boone has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that the available fund balance is at least equal to or greater than 35% of General Fund expenditures.

III. Stewardship, Compliance, and Accountability

Our audit for the fiscal year ended June 30, 2020 disclosed no <u>Material Violations of Finance-Related Legal and</u> Contractual Provisions.

IV. Jointly Governed Organization

The Town, in conjunction with seven counties and nineteen municipalities, established the High Country Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board.

Notes to the Basic Financial Statements Year ended June 30, 2020

V. Summary Disclosures 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 agreement. 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.

VI. Subsequent Events

Management has evaluated subsequent events through January 22, 2021 – the date the financials were available to be issued.

Required Supplementary Financial Data

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

Local Government Employees' Retirement System

		2020	9	2019	300	2018	2017	2016	(A	2015		2014
Town's proportion of the net pension liability (asset) (%)		0.13294%	0	0.13468%		0.1405%	0.1363%	0.1434%		(0.1349%)		0.1359%
Town's proportion of the net pension liability (asset) (\$)	69	3,630,488	69	3,195,070	49	2,146,298	\$ 2,894,440	\$ 638,996	€	(795,685)	69	\$ 1,638,117
Town's covered-employee payroll	69	8,295,118	69	8,037,504	49	7,885,198	\$ 7,629,103	\$ 7,389,060	69	7,035,432	69	7,049,097
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		43.77%		39.75%		27.22%	37.94%	0.0838%	0	0.1077%)		0.2328%
Plan fiduciary net position as a percentage of the total pension liability **		91.63%		94.18%		91.47%	%60.86	%20.66		102.64%		94.35%

^{*} The amounts presented for each fiscal year were determined as of the prior year ending June 30.

^{**} This will be the same percentage for all participant employers in LGERS plan.

Town of Boone, North Carolina Town of Boone's Contributions Required Supplementary Information Last Seven Fiscal Years

Local Government Employees' Retirement System

	2020	ļ	2019		2018	2017	1	8	و	7	015		2014
Contractually required contribution	\$ 782,917	69	655,194	69	615,281	\$ 582,8	95	ά	16,921	69	525,855	69	500,677
Contributions in relation to the contractually required contribution	782,917		655,194		615,281	582,896	92	ú	516,921		525,855		500,677
Contribution deficiency (excess)	69	69		S S		69				69		S S	
Town's covered employee payroll	\$ 8,580,641	69	8,295,118	69	8,037,504	\$ 7,885,198	86	7,6	9,103	8	090'686'	4	7,035,432
Contributions as a percentage of covered-employee payroll	9.12%		%06.7	·	%99.7	7.39%		6.78%	%	7.	.12%		7.12%

Town of Boone, North Carolina Law Enforcement Officers' Special Separation Allowance Required Supplementary Information Schedule of Changes in Total Pension Liability

	2020	2019	2018	2017
Beginning balance	\$ 1,299,713	\$ 1,371,239	\$ 1,340,450	\$ 1,410,154
Service cost	51,040	54,001	46,292	48,468
Interest on the total pension liability	45,775	41,652	49,321	47,903
Changes of benefit terms		9-1		5 2 9
Differences between expected and actual experience in				
the measurement of the total pension liability	(24,782)	(15,049)	(11,243)	350
Changes of assumptions or other inputs	36,727	(45,854)	71,813	(29,416)
Benefit payments	(84,301)	(106,276)	(125,394)	(136,659)
Other changes	(#V ₁)	:#3	<u>.</u>	
Ending balance of the total pension liability	\$ 1,324,172	\$ 1,299,713	\$ 1,371,239	\$ 1,340,450

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

Town of Boone, North Carolina Law Enforcement Officers' Special Separation Allowance Required Supplementary Information Schedule of Total Pension Liability as a Percentage of Covered Payroll

	2020	2019	2018	2017
Total pension liability	\$ 1,324,172	\$ 1,299,713	\$ 1,371,239	\$ 1,340,450
Covered payroll	1,832,417	1,827,731	1,766,387	1,743,700
Total pension liability as a percentage of covered payroll	72.26%	71.11%	77.63%	76.87%

Notes to the schedules:

The Town of Boone has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Town of Boone, North Carolina Schedule of Changes in the Total OPEB Llability and Related Ratios June 30, 2020

	2020	2019	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 314,199	\$ 323,273	\$ 348,587
Interest	239,084	213,166	182,374
Changes of benefit terms		-	-
Differences between expected and actual experience	(853,227)	(2,447)	(107,987)
Changes of assumptions	82,576	(189,828)	(335,056)
Benefit payments	(151,893)	(219,367)	(99,902)
Other	-	30	783
Net change in total OPEB liability	(369,261)	124,797	(11,984)
Total OPEB Liability-beginning	6,221,331	6,096,534	6,108,518
Total OPEB Liability-ending	\$ 5,852,070	\$ 6,221,331	\$ 6,096,534
Covered payroll	\$ 7,859,050	\$ 7,365,988	\$ 7,365,988
Total OPEB liability as a percentage of covered payroll	74.46%	84.46%	82.77%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used each period:

Fiscal year	Rate
2018	3.56%
2019	3.89%
2020	3.50%

Combining and Individual Fund Financial Statements and Schedules

Town of Boone, North Carolina General Fund Comparative Balance Sheets June 30, 2020 and June 30, 2019

	Ju	ne 30, 2020	Ju	ne 30, 2019
ASSETS			6.5	
Cash and cash equivalents	\$	12,249,704	\$	12,363,329
Receivables, net:				
Taxes		48,978		38,247
Intergovernmental taxes		647,714		774,722
Accounts		317,859		150,820
Due from other funds		.		1 2
Due from component unit		216,923		196,572
Restricted cash and cash equivalents		409,725		514,786
Total assets	\$	13,890,903	\$	14,038,476
LIABILITIES				
Liabilities:				
Accounts payable and accrued				
liabilities	\$	636,421	\$	816,228
Due to component unit		148,219	-	150,416
Total liabilities		784,641		966,644
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable		48,978	74	38,247
FUND BALANCES				
Restricted				
Stabilization by State Statute		1,182,496		1,122,115
Capital projects		;₩9		:: - :
Streets		409,725		514,786
Committed				
Capital acquistions				· *
Assigned				
Subsequent year's expenditures		1,387,154		1,842,964
Unassigned		10,077,910		9,553,720
Total fund balances		13,057,285	e	13,033,585
Total liabilities, deferred outflows of				
resources and fund balances	\$	13,890,903	\$	14,038,476

Town of Boone, North Carolina General Fund

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

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

		2020		2019
			Variance	
			Positive	
	Budget	Actual	(Negative)	Actual
Revenues:				
Ad valorem taxes:	0.000.004	• 0000000	7.500 6	6 007 240
	\$ 6,032,321	\$ 6,039,860 \$	7,539 \$	6,007,310
Prior year taxes and penalties	45,000	16,496	(28,504)	16,691
Tax refunds - current year	(100) (200)	(4,713)	(4,613) 200	(990)
Tax refunds - prior year Penalties and interest	16,000	11,157	(4,843)	20,423
Total ad valorem taxes	6,093,021	6,062,800	(30,221)	6,043,434
Total au Valoretti taxes	0,000,021	0,002,000	(00,221)	0,040,404
Other taxes and licenses:				
Local option sales tax	3,180,827	2,969,826	(211,001)	2.885.092
Room occupancy tax	400,000	474,302	74,302	500,592
Payment in lieu of taxes - ASU	129,220	129,220	(0)	129,220
Gross receipts tax on short-term rental property	46,500	37,478	(9,022)	43,555
Administrative costs - room occupancy tax	40,000	44,452	4,452	46,916
Cable TV franchise tax				
Total other taxes and licenses	3,796,547	3,655,278	(141,269)	3,605,375
				• • • • • • • • • • • • • • • • • • • •
Permits and fees				
Schedule B licenses	1,000	1,685	685	2,010
Building and sign permits	245,000	208,004	(36,996)	259,098
Annual fire inspection permits	85,000	69,246	(15,754)	32,204
Total licenses and permits	331,000	278,935	(52,065)	293,313
Unrestricted intergovernmental revenues:	05.000	05 440	440	04.075
Beer and wine tax	85,000 475,000	85,148 452,093	148	84,075
Telecommunications sales	175,000	153,083	(21,917)	172,149 986.993
Franchise tax Video franchise tax	1,016,810 155,050	971,257 146,362	(45,553) (8,688)	175,143
ABC profit distribution	500,000	525,000	25,000	500,000
Total unrestricted intergovernmental revenues		1,880,850	(51,010)	1,918,359
Total diffestificted liftergovernmental revenues	1,331,000	1,000,000	(01,010)	1,010,000
Restricted intergovernmental revenues:				
Powell Bill allocation	449,266	451,412	2,146	449,266
Interest earned on Powell Bill	1,000	(4)	(1,000)	16,457
Federal and state passthrough grants	*	188,892	188,892	126,461
Other federal revenue	2	-	(≩2	2
ABC revenue for law enforcement	30,000	32,031	2,031	32,373
Solid waste disposal tax	13,500	15,005	1,505	13,560
State drug tax		28,238	28,238	27,723
Total restricted intergovernmental revenues	493,766	715,578	221,812	665,839
Miscellaneous revenues:				
Parking violations fines	230,000	167,591	(62,409)	149,612
Police department fees	16,000	8,055	(7,945)	12,506
Recycling revenue	500	(#E)	(500)	98
Restitution - Fire Department	•		**	1,000
Local court fees	400 004	005.004	(40.4.070)	254 020
Miscellaneous revenues	480,031	285,061	(194,970)	251,029
Contributions and donations	78,750	56,263	(22,487)	50,764
Bad check charges	70 500	72,598		66.250
School resource officer Total miscellaneous revenues	72,598	589,568	(288,311)	66,259 531,268
rotal miscellaneous revenues	877,879	309,300	(200,311)	331,200
investment earnings	215,000	311,700	96,700	277,888
maastmant aanmigs	213,000	311,700	90,700	211,000
Sales and services				
Fire protection - Watauga County	120	52	6 2 5	_
Fire protection - ASU	201,361	263,728	62,367	201,361
Rental income	95,000	78,595	(16,405)	80,991
Rental income - Jones House	750	1,788	1,038	1,435
Library lot	7,650	5,810	(1,840)	3,895
Tracy Circle parking fees	9,000	3,975	(5,025)	1,000
Queen Street parking fees	55,500	58,792	3,292	40,400
Jones House parking fees	6,050	6,447	397	4,320
Carros Farming 1000	0,000	ודדו	301	.,020

Town of Boone, North Carolina General Fund

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

(With Comparative Actual Amounts for the Year Ended June 30, 2019)

		2020		
	1		Variance Positive	
	Budget	Actual	(Negative)	Actual
Town Hall parking fees	75.000	40.440	(50, 500)	04.555
Horn in the West parking fees King and Water Street parking fees	75,000	18,440	(56,560)	21,555
Boot fees	2,000	2,415	415	1,315
Cultural resource fees	45,000	45,105	105	45,060
Public works fees		43,858	43,858	8€)
Parking meters	585,000	436,249	(148,751)	569,968
Sale of surplus property Sale of surplus property - Powell Bill	88,000 2,500	48,646	(39,354) (2,500)	91,821 3,070
Total sales and services	<u>1,172,811</u>	1,013,847	(158,964)	1,065,192
Total revenues	14,911,884	14,508,555	(403,329)	14,400,668
Expenditures:				
General Government:				
Governing body:				
Salaries and wages	52,082	49,850	2,232	47,873
FICA tax expense	4,030	3,813 18.536	217	3,661
Supplies and materials Travel and training	22,000	18,536 500	3,464	11,235 3,401
Postage	8,000 1,500	300	7,500 1,500	3,401
Advertising	2.000	1,731	269	1,701
Contracted services	2,040	1,701 %	2.040	1,701
Grant match funding	42,304	3,000	39,304	2
Miscellaneous expense	9,500	2,146	7,354	96
Rent - American Legion building	6,000	6,000		6,000
Insurance and bonds	100	3,000	100	180
Dues and subscriptions	9,000	8,687	313	8,829
4th of July celebration				
Total governing body	158,556	94,263	64,293	82,976
Administration:				
Salaries and wages	476,556	456,065	20,491	472,778
FICA tax expense	38,270	34,327	3,943	35,597
Retirement	62,631	62,857	(226)	54,860
Group medical insurance	64,800	61,716	3,084	57,050
Employee assistance program				-
Dental insurance	3,765	3,026	739	3,039
Life insurance	1,000	754	246	760
Drug testing Supplies and materials	2,550	1,925	625	1,210
Mileage reimbursement	500	;,≅4 9¥3	500	Ye
Automobile expense	9,200	420	8,780	631
Travel and training	20,500	16,423	4.077	21,926
Car allowance	11,000	6,385	4,615	11,039
Other employee training	(a)		7(*)	,
Awards and recognition	11,000	10,978	22	11,183
Wellness program	32,930	32,930	S.#5	-
Telephone	4,800	4,283	517	2,684
Postage	3,000	2,774	226	2,492
Advertising	1,200	1,136	64	3,503
Maintenance and repairs	5,600	1,162	4,438	811
Insurance and bonds	28,550	(53,277)	81,827	(26,092)
Equipment rental	2,100	2,208	(108)	-
Dues and subscriptions	15,500	12,386	3,114	23,040
Miscellaneous expense	13,500	12,969	531	40 040
Contracted services Office supplies	120,663	154,418	(33,755)	18,848
Uniforms	21,000 250	13,727	7,273 250	40,442
Meeting	500		500	67
Computer services	300	+250 S 4 8	300	2
Capital outlay		15 0 7		
Total administration	951,365	839,590	111,775	735,867

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

		2020		
			Variance	
	Budget	Actual	Positive (Negative)	Actual
Finance:	Duaget	Actual		Autuai
Salaries and wages	228,224	217,799	10,425	217,903
FICA tax expense	17,459	15,729	1,730	15,748
Retirement	31,951	28,725	3,226	27,832
Group medical insurance	31,200	28,201	2,999	29,046
Dental insurance	3,200	2,684	516	3,145
Life insurance	500	479	21	471
Professional services	47,000	46,972	28	51,344
Bank and service charges	40,575	26,790	13,785	40,782
•	· ·	-	• •	•
Supplies and materials	27,000	20,410	6,590	17,221
Automotive supplies	600	78	522	85
Office supplies	*		3.50	20 - 2
Printing	500	•	500	1
Travel and training	5,500	1,348	4,152	2,673
Mileage reimbursement	250	34	250	(1 4)
Telephone	3,000	2,913	87	2,123
Postage	2,500	1,814	686	1,896
Maintenance and repairs	33,800	33,515	285	27,912
•	200	33,313	200	21,512
Advertising				-
Computer services	2,500	200	2,300	4 740
Insurance and bonds	4,750	3,942	808	4,749
Equipment rental	6,500	2,814	3,686	3,106
Dues and subscriptions	500	305	195	265
Capital outlay	-			-
Total finance	487,709	434,718	52,991	446,301
Tax collections:	4.050	4 204	20	4.054
Supplies and materials	1,350	1,321	29	1,254
Travel and training	*			
Postage	250		250	44
Insurance and bonds	250	250	9*2	450
County collection of taxes fee	134,900	128,596	6,304	128,986
Total tax collections:	136,750	130,167	6,583	130,735
Legal:				
Professional fees	127,500	90,660	36,840	150,780
		30,000	100	100,700
Supplies	100			•
Dues	100		100	
Total legal	127,700	90,660	37,040	150,780
Elections expense	24,700	17,060	7,640	
Fire Station #1:				
Supplies and materials	3.500	2,774	726	3,007
Electricity and propane	9,000	7,927	1,073	7,928
Maintenance and repairs	50,196	20,947	29,249	18,404
Insurance and bonds	00,100	20,041	-	10,404
	0.400	2.050	0.40	2.050
Contracted services	3,400	3,058	342	3,058
Capital outlay	66,006	24 705	24 204	22.206
Total Fire Station #1	66,096	34,705	31,391	32,396
Fire Station #2:				
Supplies and materials	2,500	1,911	589	1,652
Electricity and propane	6,250	4,890	1,360	5,555
• • •				27,669
Maintenance and repairs	13,000	5,337	7,663	21,009
Insurance and bonds	-		-	-
Contracted services	950	•	9.5	-
Capital outlay		· · · · · · · · · · · · · · · · · · ·		
Total Fire Station #2	21,750	12,138	9,612	34,876
Fire Station #3:				
	2.400	4 405	075	4.050
Supplies and materials	2,400	1,425	975	1,259
Other communication services		- 5	72	
Electricity and propane	6,100	5,617	483	4,711
Maintenance and repairs	1,500	1,572	(72)	1,936

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

		2020			
	(C)		Variance Positive		
	Budget	Actual	(Negative)	Actual	
Insurance and bonds					
Contracted services Capital outlay	:5V	0		577 = 1	
Total Fire Station #3	10,000	8,614	1,386	7,906	
Blowing Rock Road Building:					
Supplies and materials	6.500	5.788	712	13,248	
Electricity and propane	15,750	13,322	2,428	15,980	
Maintenance and repairs	13,000	12,221	779	4,201	
Insurance and bonds Contracted services	40.000	0.077	600	0.077	
Capital outlay	10,000	9,377	623	9,377	
Total Blowing Rock Road Building	45,250	40,707	4,543	42,806	
Brown Building:					
Supplies and materials	6,600	4,639	1,961	5,477	
Electricity and propane	21,400	16,624	4,776	21,272	
Maintenance and repairs	15,000	13,154	1,846	16,644	
Rent for parking	23,500	22,982	518	22,452	
Equipment rental	4,900	3,678	1,222	3,675	
Insurance and bonds	¥			•	
Office supplies	40.000	40.040	754	40.040	
Contracted services Capital outlay	13,800	13,046	754	13,046	
Total Brown Building	85,200	74,124	11,076	82,566	
Total brown building	05,200	74,124	11,070	02,300	
Jones House:	2 000	2.500	402	2 402	
Supplies and materials Office supplies	3,000 1,500	2,508 973	492 527	2,493 1,952	
Equipment rental	1,500	913	521	1,932	
Telephone	600	595	5	531	
Advertising	3,100	3,155	(55)	3,750	
Electricity and propane	3,300	2,580	720	3,112	
Maintenance and repairs	22,640	8,552	14,088	10,987	
Insurance and bonds	≦	Ÿ -	: =::	547	
Contracted services	6,100	5,708	392	5,708	
Landscaping	₽	*	3 4 .5	3 - 2	
Travel and training	40.000	0.705	4 475	20.040	
Special events	12,900	8,725	4,175	22,842	
Capital outlay Total Jones House	53,140	32,796	20,344	51,374	
Downtown Post Office:					
Supplies and materials	1,600	620	980	688	
Electricity and propane	9,500	8,318	1,182	8,672	
Maintenance and repairs	4,400	2,361	2,039	3,788	
Insurance	€	12	481	823	
Contracted services	8,700	8,765	(65)	8,765	
Capital outlay Total Downtown Post Office	24,200	20,065	4,135	21,913	
			i-	September William	
Town Hall Building:					
Supplies and materials	11,000	9,111	1,889	4,394	
Equipment rental Electricity and propane	10,000	5,753	4,247	7,593	
Maintenance and repairs	14,300 31,452	10,390 17,221	3,910 14,231	13,487 23,548	
Insurance and bonds	31,432	17,221	14,231	23,340	
Contracted services	9,300	9,479	(179)	9,479	
Capital outlay) 			35	
Total Town Hall Building	76,052	51,953	24,099	58,501	
Subsidies and allocations:					
Council of Governments	3,800	3,627	173	3,627	
Watauga County Rescue Squad	2,000	2,000	(7 2)	/S7X	
OASIS, Inc.	13,000	13,000	()	15,000	

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

		2020		2019
	Pt.		Variance Positive	
	Budget	Actual	(Negative)	Actual
Western Youth Network	8,000	8,000		10,000
Watauga County Library	2,000	2,000	:=:: :=::	2,500
Watauga County Hunger Coalition	15,000	15,000	(•.)	18,000
Hospitality House / We-can NC League of Municipalities	25,000 17,000	25,000 16,980	20	30,000 16,831
Community Care Clinic	21,000	21,000	20	25,000
Institute of Government	2,800	2,526	274	2,403
Children's Playhouse	4,000	4,000	120	4,500
Mountain Alliance	8,000	8,000) = ()	10,000
Other	17,100	17,000	100	20,000
Total subsidies and allocations	138,700	138,133	567	157,861
Special projects:				
Wide area network	135,167	107,433	27,734	126,971
AppalCART	95,000	95,000	(4)	95,000
Stream bank restoration	107,000	107,000	3	
Retirees' health insurance	110,010	109,609	401	93,738
Information technologies		•	•	29,800
Tree planting project	10,478	41	10,437	(51)
Appalachian Theatre		-		100,000
Contracted services - Boone Area Chamber	10,000	4,000	6,000	6,000
Downtown streetscape projects	294,164	124,507	169,657	140,889
Town Council priority projects	60,234	5,300	54,934	26,875
Daniel Boone Park	18,572	2,719	15,853 97	10,007
Lobbyist SOG - Development Finance Initiative	20,000	19,903		19,821 32,000
Southern Appalachian Historical Association	20.000	20,000	(* :	20,000
Howard Street project	1,769,367	42,050	1,727,317	61,223
Solar project	56,748	1,488	55,260	58,830
Storm water assessment	90,121	9,413	80,708	00,000
Veterans memorial project	24,850	*	24,850	(4,014)
Fee waiver-special projects	17,000	823	17,000	(.,o.,,
COVID-19	45,000	31,759	13,241	-
Capital outlay	201,500	201,305	195	
Total special projects	3,085,211	881,528	2,203,683	817,090
GIS / Information technology:				
Salaries and wages	64,151	64,141	10	61,801
FICA tax expense	4,869	4,495	374	4,329
Retirement	5,729	5,794	(65)	4,843
Group medical insurance	8,325	8,036	289	7,416
401(k) contribution	3,183	3,200	(17)	3,083
Dental insurance	580	578	2	578 106
Life insurance Professional services	110	106	•	106 20,103
Office supplies	25,000 1,500	16,426 1,000	8,574 500	1,160
GIS supplies	2,500	1,000	2,500	3,420
Office equipment	2,925	493	2,432	2,925
Travel and training	2,350	2,311	39	805
Telephone	300	203	97	180
Other communication	15,000	13,834	1,166	13,442
Maintenance and repairs	23,500	19,150	4,350	21,405
Insurance	1,680	1,310	370	1,441
Contracted services	23,115	16,148	6,967	27,657
Miscellaneous supplies	2,000	363	1,637	1,764
Capital outlay			<u> </u>	11,922
Total GIS / Information technology	186,817	157,588	29,229	188,379
Cultural Resources				
Salaries and wages	179,266	162,498	16,768	165,290
FICA tax expense	13,714	12,517	1,197	12,391
Retirement	13,607	12,327	1,280	11,072
Group medical insurance	23,800	22,845	955	19,776
401(k) contribution	7,559	6,807	752	7,046
Dental insurance	1,880	1,600	280	2,227

Town of Boone, North Carolina General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2020 (With Comparative Actual Amounts for the Year Ended June 30, 2019)

		2020		2019
			Variance Positive	
	Budget	Actual	(Negative)	Actual
Life insurance	400	307	93	315
Office supplies	700	303	397	983
Supplies and materials	4,650	4,199	451	2,929
Dues and subscriptions	200 700	119 697	81 3	88 639
Telephone Postage	700 150	142	ა 8	98
Travel and training	3,500	867	2.633	(24)
Contracted services	4,000	1,903	2,033	1,768
Advertising	6,750	3,951	2,799	2,453
Insurance	5,950	5,936	14	6,450
Maintenance and repairs	1,000	529	471	6
Special projects / events	67,500	49,511	17,989	63,883
Capital outlay	5,067	632	4,435	568
Total Cultural Resources	340,393	287,690	52,703	297,956
Total general government	6,019,589	3,346,499	2,673,090	3,340,284
Public safety: Police:				
Salaries and wages	1,908,465	1.856,215	52,250	1,852,673
Overtime	56,813	48,566	8,247	40,177
FICA tax expense	159,556	151,984	7,572	149,399
Retirement	193,277	184,171	9,106	160,892
Group medical insurance	292,400	281,431	10,969	270,113
401(k) contribution	99,776	94,871	4,905	94,358
Dental insurance	25,109	23,478	1,631	26,001
Life insurance	4,150	3,583	567	4,271
Physical examinations	2,000	2,028	(28)	1,088
Supplies and materials	77,247	47,098	30,149	36,633
Uniforms	41,891	20,734	21,157	23,888
Crime prevention program	2,000	1,646	354	1,897
Automotive supplies Travel and training	66,200 21,500	66,580 20,155	(380) 1,345	99,439 20,643
Telephone	29,950	24,749	5.201	22,212
Office supplies	12,850	12,357	493	7,968
Medical supplies	2,500	1,966	534	2,413
Postage	1,200	1,143	57	1,106
Maintenance and repairs	44,216	44,807	(591)	56,328
Insurance and bonds	76,000	75,185	815	81,996
Advertising	500	393	107	557
Dues and subscriptions	19,400	17,434	1,966	17,774
Parking enforcement court costs	(₹)	/(* 2	•	
Undercover operations	*	: €	2:	*
Depreciation expense	1			
Separation allowance	100,531	94,738	5,793	89,349
Capital outlay	197,956	197,252	704	151,619
Canine Unit	2,050	1,811	239	1,655
Contracted services Total police	3,437,537	3,274,373	163,164	3,214,448
•				
Communications:				
Salaries and wages	407,497	395,944	11,553	406,117
Overtime	33,200	32,187	1,013	14,033
Part-time / temporary salaries	6,800	5,889	911	3,915
FICA tax expense Retirement	34,081 38,745	32,283 37,949	1,798 796	32,139 32,882
Group medical insurance	78,000	72,069	5,931	74,160
401(k) contribution	76,000 21,525	72,009 21,339	186	20,932
Dental insurance	6,809	5,779	1,030	6,752
Life insurance	1,020	911	109	981
Uniforms	2,000	1,589	411	1,054
Supplies and materials	13,800	5,046	8,754	177,563
Travel and training	3,000	1,582	1,418	,
Physical examinations	(#)	*	*	
Telephone	12,700	12,009	691	9,047

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2020

		2020		2019
			Variance Positive	
	Budget	Actual	(Negative)	Actual
Maintenance and repairs	33,107	22,487	10,620	14,457
Rent - PIN equipment	2,900	1,800	1,100	1,800
Dues	800	331	469	50
Advertising	¥		A#37	700
Capital outlay	68,574	65,990	2,584	134,097
Insurance and bonds	6,745	4,845	1,900	5,571
Total communications	771,303	720,029	51,274	935,551
Fire:				
Salaries and wages	1,522,039	1,515,309	6,730	1,336,704
Overtime	49,000	46,618	2,382	30,159
Other compensation	5,000	1,192	3,808	27,555
FICA tax expense	123,665	115,655	8,010	105,040
Retirement	141,439	141,077	362	110,838
Group medical insurance	250,000	241,090	8,910	215,681
401(k) contribution	78,577	77,931	646	69,511
Dental insurance	24,243	22,771	1,472	21,899
Life insurance	3,200	3,096	104	2,982
Physical examinations	20,000	17,451	2,549	24,651
Expendable equipment	230,000	213,301	16,699	16,928
Supplies and materials	29,750	22,945	6,805	31,677
Prevention materials Hazard materials supplies	4,000	3,980	20 3,855	3,891 3,066
Uniforms	6,000 50,000	2,145 11,388	38,612	63,433
Automotive supplies	30,600	24,889	5,711	26,411
Travel and training	8,500	6,860	1.640	8,515
Advertising	500	101	399	83
Equipment rental	3,500	3,295	205	3,289
Telephone	8,400	8,052	348	8,476
Postage	1,500	1,323	177	1,829
Maintenance and repairs	57,000	50,770	6,230	58,632
Insurance and bonds	107,325	104,659	2,666	107,224
Pension fund	4,000	3,630	370	4,020
Volunteer reimbursement	36,700	11,716	24,984	22,226
Dues and subscriptions	8,000	7,043	957	5,872
Contracted services	19,000	13,958	5,042	5,572
Capital outlay	40,000	20,038	19,962	427,072
Total fire	<u>2,861,938</u>	2,692,282	169,656	2,743,236
Development services:				
Salaries and wages	488,976	481,171	7,805	458,016
FICA tax expense	37,407	36,590	817	34,817
Retirement	42,658	42,837	(179)	34,758
Group medical insurance	73,400	71,091	2,309	66,744
401(k) contribution	23,699	23,667	32	22,121
Dental insurance	7,000	6,475	525	6,523
Life insurance	1,500	940	560	954
Meeting expense	1,000	37	963	2,021
Supplies and materials	13,700	4,654	9,046	5,779
Uniforms	1,500	100	1,400	1,203
Automotive supplies	4,000	1,285	2,715	2,150
Travel and training Telephone	8,000	6,537	1,463	10,298
Postage	7,000 2,000	4,777	2,223	4,769
Printing	2,000	599	2,000 1,401	1,453
Maintenance and repairs	6,000	401	5,599	7,650
Mileage reimbursement	0,000	401 (€	5,599	7,000
Advertising	5,800	6,767	(967)	6,463
Miscellaneous expense	8,000	5,481	2,519	4,540
Equipment rental	16,000	11,213	4,787	10,658
Insurance and bonds	14,575	13,923	652	15,509
Dues and subscriptions	3,000	1,635	1,365	1,316
Contracted services	19,000	10,260	8,740	9,205
Capital outlay	25,000	23,024	1,976	
Total development services	811,215	753,462	57,753	706,947

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

	2020			2019
	30.00	* 3171 ***	Variance Positive	
	Budget	Actual	(Negative)	Actual
Narcotics enforcement:				
Supplies and materials	2,500	1,070	1,431	2,775
Uniforms	2,600	1,440	1,160	¥
Canine unit	2,500	1,904	596	*
Capital outlay	2,370	2,370	· ·	28,162
Travel and training	5,000	3,725	1,275	2,984
Undercover operations	20,000	6,924	13,076	12,543
Total narcotics enforcement	34,970	17,433	17,537	46,464
Total public safety	7,916,963	7,457,577	459,385	7,646,646
Transportation:				
Street department and traffic operations:	100 744	400.000	100	440.040
Salaries and wages	426,711	426,229	482	412,818
Overtime FICA tax expense	11,800	4,958	6,842	10,876 31,154
Retirement	33,546 39,466	31,625 38,891	1,921 575	33,151
Group medical insurance	91,600	88,400	3,200	81,576
401(k) contribution	21,926	21,477	449	21,102
Dental insurance	9,116	8,413	703	8,413
Life insurance	1,100	1,180	(80)	1,180
Supplies and materials Physical examinations	52,660	34,640	18,020	65,112
Uniforms	12,500	10,838	1,662	10,897
Automotive supplies	43,500	31,583	11,917	46,161
Travel and training	3,000	420	2,580	518
Mileage reimbursement	2,000	781	1,219	2,008
Equipment rental	7,000	2,960	4,040	3,270
Telephone	3,000	2,776	224	2,853
Dues and subscriptions	280	280	8	175
Electricity and heat	156,000	149,983	6,017	148,648
Maintenance and repairs Advertising	946,319 750	150,371	795,948 750	249,120 110
Insurance and bonds	46,375	43,083	3,292	47,061
Street signs and lights	36,400	28,705	7,695	35,056
Contracted services	99,840	51,713	48,127	264,185
Paving and resurfacing	375,027	373,054	1,973	206,893
Snow removal	23,000 296,985	17,826 141,551	5,174 166 424	16,670
Capital outlay Total street department and traffic ops	2,739,901	1,661,737	155,434 1,078,164	45,097 1,744,104
Parking operations				
Salaries and wages	175,055	151,123	23,932	9
FICA tax expense	13,392	11,172	2,220	
Retirement	12,273	11,216	1,057	*
Group medical insurance	26,900	26,797	103	÷
401(k) contribution	6,818	6,190	628	
Dental insurance Life insurance	1,734	1,255	479	
Supplies and materials	400 5,000	304 4,196	96 804	
Uniforms	2,000	1,537	463	
Office supplies	7,550	3,616	3,934	
Postage	5,000	478	4,523	-
Printing	2,500	*.	2,500	
Insurance	6,377	3,048	3,329	4
Electricity and heat	500	468	32	
Maintenance and repairs	10,000	9,713	287	14
Contracted services	102,000	99,380	2,620	
Total parking operations	377,499	330,492	47,007	
Powell Bill:				
Drainage and stormwater	20,000	17,713	2,287	16,444
Maintenance	109,226	100,560	8,666	99,358
Paving and resurfacing	178,250	165,318	12,932	177,465

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2020

		2020		2019
	Budget	Actual	Variance Positive (Negative)	Actual
Snow removal	107,750	79,125	28,625	111,815
Engineering	353,255	171,409	181,846	"€
Sidewalk construction	31,500	31,452	48	20,196
Capital outlay				
Total Powell Bill	799,981	565,578	234,403_	425,278
Total transportation	3,917,381	2,557,807	1,359,574	2,169,382
Public works:				
Public services and engineering:	219,274	221,807	(2,533)	229,148
Salaries and wages 401(k) contribution	10,964	11,064	(2,533) (100)	11,431
FICA tax expense	16,774	16,320	454	17,008
Retirement	19,735	20,037	(302)	17,953
Group medical insurance	29,000	28,270	730	26,099
Dental insurance	2,590	2,390	200	2,340
Life insurance	329	328	1	328
Supplies and materials	20,250	16,005	4,245	18,952
Travel and training	3,015	1,634	1,381	1,298
Telephone	4,000	4,002	(2)	3,403
Postage	900	900	•	866
Maintenance and repairs		0.400	275	549
Insurance and bonds	6,270	6,168	102	6,606 19.474
Contracted services Advertising	37,500 1,000	25,496 350	12,004 650	19,474 751
Dues	700	651	49	249
Capital outlay	700	3 - 2	5#4	-
Total public services and engineering	372,301	355,423	16,878	356,454
Fleet maintenance:				
Salaries and wages	172,485	172,418	67	172,527
Overtime	6,500	1,028	5.472	4,343
FICA tax expense	13,692	13,475	217	13,496
Retirement	16,109	15,650	459	13,842
Group medical insurance	33,300	32,145	1,155	27,810
401(k) contribution	8,949	8,642	307	8,813
Dental insurance	3,714	3,340	374	3,480
Life insurance	550	420 55 570	130	467
Supplies and materials Physical examinations	71,900 500	55,579 15	16,321 485	23,797 449
Uniforms	3,480	3,285	195	3,421
Automotive supplies	3,800	1,777	2,023	2,886
Travel and training	3,000	251	2,749	2,378
Telephone	1,850	1,293	557	1,179
Maintenance and repairs	5,000	3,047	1,953	3,395
Insurance and bonds	11,270	11,265	5	12,169
Contracted services	3,000	1,850	1,150	1,714
Capital outlay Total fleet maintenance	359,099	225 491	33,618	41,618 337,785
Total fleet maintenance	339,099	325,481	33,010	337,763
Facilities maintenance:				
Salaries and wages	527,197	526,538	659	500,056
Overtime	19,500	11,833	7,667	26,257
FICA tax expense	41,822	41,225	597	40,368
Retirement	49,203	48,558	645	41,175
Group medical insurance	116,600	112,508	4,092	100,068
401(k) contribution	27,335 11,176	26,814	521	26,211
Dental insurance Life insurance	11,176 1,510	10,734 1,474	442 36	10,476 1,607
Physical examinations	1,000	120	880	1,007
Supplies and materials	39,050	31,169	7,881	31,479
Uniforms	11,500	9,531	1,969	10,259
Automotive supplies	25,500	19,543	5,957	26,475
Travel and training	4,500	2,753	1,747	4,570
Telephone	4,600	4,038	562	4,398

Town of Boone, North Carolina

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

		2020		2019
	Budest	Actual	Variance Positive	Actual
Maintananaa and ranaire	Budget 66,505	Actual 44,298	(Negative) 22.207	Actual 69,807
Maintenance and repairs Insurance and bonds	29.200	29.023	177	31.699
Contracted services	72,780	66,107	6.673	18.660
Advertising	600	00,107	600	37
Seasonal decorations	13.000	11,205	1,795	10.988
Street/sidewalk construction supplies	98.344	74,105	24,239	38,659
Community appearance	45,358	26,161	19,197	20,142
Equipment rental	15,000	13,581	1.419	13,300
Landfill charges/yard debris	28,000	27.895	105	26,525
Snow removal supplies - sidewalks	5,000	1,386	3,614	1,474
Capital outlay	79,100	78,782	318	75,273
Total facilities maintenance	1,333,380	1,219,381	113,999	1,129,963
Total public works	2,064,780	1,900,285	164,495	1,824,202
Environmental protection:				
Contracted services	232,261	190,737	41,524	157,636
Recycling materials	12,835	4,418	8,417	10,499
Advertising	1,300	1,040	260	909
Dues and subscriptions	150	870	150	290
Solid waste disposal surcharge	405	404	•	4 440
Travel and training	125	101	24	1,118
Recycling expenditures	249,225	248,328	897	229,851
Total environmental protection	495,896	444,625	51,271	400,303
Debt service:				
Principal retirement	321,750	320,669	1,081	364,400
Interest and fees	16,055	15,963	92	17,900
Total debt service	337,805	336,633	1,172	382,300
Total expenditures	20,752,414	16,043,426	4,708,988	15,763,116
Revenues over (under) expenditures	(5,840,530)	(1,534,871)	4,305,659	(1,362,449)
Other financing sources (uses):				
Transfer from Water and Sewer Fund	201,967	201,967		143,453
Transfer to Sidewalk Capital Reserve Fund	(5,000)	3.50	5,000	
Transfer from Municipal Service District	41,000	41,000		143,775
Transfer from Rural Fire Tax	698,082	698,082	UB	627,060
Transfer to Emergency Telephone System Fund	16,472	16,472	(00.000)	(20,375)
Issuance of debt	633,050	601,050	(32,000)	204,090
Appropriated fund balance Total other financing sources (uses)	4,254,959 5,840,530	1,558,571	(4,254,959) (4,281,959)	1,098,003
Net change in fund balances	<u>s</u> -	23,700	\$ 23,700	(264,446)
Fund helenges				
Fund balances:		42 000 505		12 200 024
Beginning of year - July 1		13,033,585		13,298,031 \$ 13,033,585
End of year - June 30		\$ 13,057,285		\$ 13,U33,365

Town of Boone, North Carolina Combining Balance Sheet Nonmajor Governmental Funds June 30, 2020

	Rural Fire Service District		M	Municipal Service District		Totals				
			•			June 30, 2020		June 30, 2019		
Assets										
Cash and cash equivalents Taxes receivable, net Intergovernmental taxes receivable Accounts receivable, net Total assets	\$ 	2,920,923 30,752 7,540 48,426 3,007,641	\$ 	361,983 7,840 - 11,517 381,340	\$	3,282,906 38,592 7,540 59,943 3,388,981	\$	2,674,087 29,211 9,694 16,241 2,729,233		
Liabilities Accounts payable and accrued items	·	4,864		1,405	-	6,269		8,732		
Deferred inflows of resources										
Property taxes receivable		30,752		7,840		38,592		29,211		
Fund balances										
Restricted										
Stabilization by State Statue		55,966		11,517		67,483		25,935		
Public Safety		2,916,059		=		2,916,059		2,375,108		
Economic Development		*		360,578		360,578		290,247		
Committed										
Capital acquistions		9		8		*		5		
Assigned										
Designated for subsequent year's expenditures		3		92		20		54		
Unassigned		•		8		5		2		
Total fund balances	_	2,972,025	12	372,095	-	3,344,120	_	2,691,290		
Total liabilities, deferred outflows of										
resources and fund balances	\$	3,007,641	<u> </u>	381,340	\$	3,388,981	\$	2,729,233		

Town of Boone, North Carolina Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2020

	Rural	Municipal	Totals			
	Fire Service	Service District	June 30,	June 30,		
	District	District	2020	2019		
Revenues:						
Ad valorem taxes	\$ 943,133	\$ 131,789	\$ 1,074,922	\$ 1,090,889		
Other taxes and licenses	418,838	67,562	486,400	385,199		
Investment earnings	903	86	989	3,035		
Miscellaneous revenues			7-1-18 mg 10 mg	781		
Total operating revenues	1,362,874	199,437	1,562,311	1,479,123		
Expenditures:						
Current:						
General Government						
Tax collection service		2,641	2,641	2,712		
Public Safety		S - W W				
Supplies and materials	70,654	2	70,654	8,972		
Prevention materials	935	5	935	460		
Uniforms	S¥3	2	8€	1,348		
Travel		₹	3.50	35%		
Contingency	S¥3	*	32	\$\frac{1}{2}\$		
Contracted services	3,473	*	3,473			
Capital outlay	27,538		27,538	206,322		
Total public safety	102,600		102,600	217,102		
Economic and physical development						
Professional services	3.75	10,539	10,539	12,930		
Supplies	327	3,983	3,983	4,153		
Meeting expense	3,50	829	829	160		
Travel and training	947	989	989	1,787		
Telephone	350	2,180	2,180	1,650		
Maintenance and repairs	5 4 6	4	:2	- 45		
Advertising		3,098	3,098	10,842		
Equipment rental		*	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	282		
Insurance	A.€.S	1,812	1,812	2,411		
Dues and subscriptions	/ <u>12</u> /2	903	903	994		
Bank charges	(*)		•	380		
Contracted services		221	221	262		
Community development	9 10 1	60,954	60,954	32,286		
Payment to component units						
Total economic and physical development	•	85,508	85,508	67,757		
Debt service						
Principal retirement	S=2	*	=	3.20		
Interest and fees		-				
Total debt service						
Total expenditures	102,600	88,149	190,749	287,571		
Revenues over expenditures	1,260,274	111,288	1,371,562	1,191,552		
Other financing uses:						
Transfer in	(-)		2			
Transfer out	(698,082)	(41,000)	(739,082)	(770,835)		
Sale of surplus property	20,350	(,555)	20,350	()		
Appropriated fund balance	(#C)	-	=======================================	1.74		
Total other financing uses	(677,732)	(41,000)	(718,732)	(770,835)		
Net change in fund balances	582,542	70,288	652,830	420,717		
Fund balances:						
Beginning of year	2,389,483	301,807	2,691,290	2,270,573		
End of year	\$ 2,972,025	\$ 372,095	\$ 3,344,120	\$ 2,691,290		
= J. you.	2,012,020	9 312,033	Ψ 0,044,120	Ψ 2,031,230		

Town of Boone, North Carolina Rural Fire Service District

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

			2020		2019
		Budget	Actual	Variance Positive (Negative)	Actual
Revenues:		- W			
Ad valorem taxes	\$	990,082 \$	943,133 \$	(46,949) \$	957,467
Other taxes and licenses		250,000	418,838	168,838	317,280
Investment earnings		<u> 6</u>	903	903	2,755
Miscellaneous	-				
Total operating revenues		1,240,082	1,362,874	122,792	1,277,502
Expenditures:					
Current:					
Public safety:					
Supplies and materials		121,500	70,654	50,846	8,972
Prevention materials		5,000	935	4,065	460
Uniforms		30,000	=	30,000	1,348
Travel		5,000	T	5,000	
Contingency		4.50 	Ħ	₩	## ##
Contracted services		3,000	3,473	(473)	3,546
Capital outlay	_	27,500	27,538	(38)	202,776
Total public safety		192,000	102,600	89,400	217,102
Debt service:					
Principal retirement					-
Interest and fees					
Total debt service					To the second se
Total expenditures	_	192,000	102,600	89,400	217,102
Revenues over (under) expenditures		1,048,082	1,260,274	212,192	1,060,400
Other financing sources (uses):					
Transfer in			**		# :
Transfer out		(1,048,082)	(698,082)	350,000	(627,060)
Sale of surplus property		₩	20,350	20,350	₹1
Appropriated fund balance	-	(1.0.10.000)			1007-000
Total other financing sources (uses)		(1,048,082)	(677,732)	370,350	(627,060)
Net change in fund balances	\$_	S ≡ Sq.	582,542 \$_	582,542	433,340
Fund balances:					
Beginning of year			2,389,483		1,956,143
End of year		\$	2,972,025	s -	2,389,483
		Ψ=	2,072,020	Ψ=	2,000,700

Town of Boone, North Carolina Municipal Service District

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

			2020		2019
	-			Variance Positive	
		Budget	Actual	(Negative)	Actual
Revenues:	_		-		
Ad valorem taxes	\$	189,355 \$	131,789	\$ (57,566)	\$ 133,422
Other taxes and licenses		% ■1	67,562	67,562	67,919
Investment earnings			86	86	280
Total operating revenues		189,355	199,437	10,082	201,621
Expenditures:					
Current:					
General government:					
Tax collection service		2,670	2,641	29	2,712
Economic and physical development:	42.	W		9 t e 95	(
Professional services		10,600	10,539	61	12,930
Supplies		7,565	3,983	3,582	4,153
Meeting expense		1,000	829	171	160
Travel and training		2,700	989	1,711	1,787
Telephone		2,200	2,180	20	1,650
Maintenance and repairs		\$ #			VIET.
Advertising		12,300	3,098	9,202	10,842
Equipment rental		1,000	2 ± 3	1,000	282
Insurance		4,000	1,812	2,188	2,411
Dues and subscriptions		850	903	(53)	994
Bank charges		8₹((9.50	₩
Contracted services		1,500	221	1,279	262
Community development		121,970	60,954	61,016	32,286
Payment to component units			, a	7 2 0	9 2 0 3
Total economic and physical development	57-5	165,685	85,508	80,177	67,757
Total expenditures	-	168,355	88,149	80,206	70,469
Revenues over (under) expenditures	ÿ.	21,000	111,288	90,288	131,152
Other financing sources (uses):					
Transfer to General Fund		(41,000)	(41,000)	(22)	(143,775)
Transfer from General Fund		() = (R €	7.
Appropriated fund balance		20,000		(20,000)	7 - 2
Total other financing sources (uses)		(21,000)	(41,000)	(20,000)	(143,775)
Net change in fund balances	\$_	72,	70,288	\$ 70,288	(12,623)
Fund balance:					
Beginning of year			301,807		314,430
End of year			\$ 372,095		\$ 301,807

Town of Boone, North Carolina Special Revenue Funds Emergency Telephone System Fund Comparative Balance Sheets June 30, 2020 and June 30, 2019

		June 30, 2020	J	une 30, 2019
Assets				
Cash and cash equivalents	\$	35,303	\$	22,973
Intergovernmental taxes receivable		1		2
Accounts receivable, net		36,665		90,722
Total assets		71,968		113,695
Liabilities and fund balances Liabilities:				
Accounts payable and accrued items	\$	23,753	\$	9,689
Due to other funds		-		×
Total liabilities	-	23,753	\	9,689
Fund balances:				
Restricted				
Stabilization by State Statute		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		÷.
Public Safety		48,215		104,006
Total fund balances	-	48,215		104,006
Total liabilities and fund balances	\$	71,968	\$	113,695

Town of Boone, North Carolina Special Revenue Funds

Emergency Telephone System Fund

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

			2020		2019
		Budget	Actual	Variance Positive (Negative)	Actual
Revenues:			-111 of 322 of 111 of 0 s		
Restricted intergovernmental revenue					
E-911 service charge	\$	170,364 \$	165,601 \$	(4,763) \$	212,762
Miscellaneous revenue		589	, ** .	1. 	()
Investment earnings			333	333	517
Total operating revenues	(Acces	170,364	165,934	(4,430)	213,279
Expenditures:					
Public safety:					
911 system:					
Telephone		34,860	28,539	6,321	28,957
Supplies			-	(B)	712
Interest			-	\ <u>*</u> ±£	3 <u>2</u> 4
Contracted services		38	72	5340	8 ≥ 0
Travel and training		11,000	2,175	8,825	1,900
Maintenance		13,575	13,575	(AF)	6,612
Capital outlay		181,930	160,964	20,966	147,232
Total 911 fees	9	241,365	205,253	36,112	185,413
Revenues over (under) expenditures	<u>.</u>	(71,001)	(39,319)	31,682	27,866
Other financing sources:					
Appropriated fund balance		92,306	5 - 5	(92,306)	1.5
Transfer from (to) - General Fund		(21,305)	(16,472)	4,833	20,375
Total other financing sources		71,001	(16,472)	(87,473)	20,375
Net change in fund balances		-	(55,791)	\$ (55,791)	48,241
Fund balance (deficit):					
Beginning of year			104,006		55,765
End of year			\$ 48,215		\$ 104,006
•					

Town of Boone, North Carolina Water and Sewer Fund Comparative Balance Sheets June 30, 2020 and June 30, 2019

	June 30, 2020	June 30, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 19,212,421	\$ 14,868,552
Intergovernmental taxes receivable	12	<u>~</u>
Accounts receivable, net	1,648,300	5,350,757
Inventory	1,021,830	606,528
Restricted assets	308,389	300,163
Total current assets	22,190,940	21,126,000
Noncurrent assets		
Net pension asset	; ≅	=
Capital assets:		
Nondepreciable	4,717,618	4,717,618
Depreciable, net of accumulated depreciation	55,448,697	57,445,259
Total noncurrent assets	60,166,315	
Total Assets	82,357,255	83,288,877
Deferred Outflows of Resources		
Contributions to the pension plan	362,981	440,787
Contributions to the OPEB plan Deferred charges	64,253	73,925
Total deferred outflows of resources	427,234	514,712
11.1.00		=0 3 7
Liabilities Correct liabilities		
Current liabilities	140 770	205.052
Accounts payable and accrued items	148,778	205,053
Accrued compensated absences, current	120,000	140,000
Bond anticipation notes, current Accrued interest	70,211	71,232
Bonds payable, current	477,000	465,000
Notes payable, current	132,433	160,876
Payable from restricted assets	308,389	300,163
Total current liabilities	1,256,811	
Niconard Habilata		
Noncurrent liabilities	764 700	GGE 244
Net pension liability	761,782 113 305	665,344
Accrued compensated absences, noncurrent	113,305 1,565,163	54,416 1,661,582
Net OPEB obligation, noncurrent Bonds payable, noncurrent	31,054,000	31,531,000
Notes payable, noncurrent	44,009	
Total noncurrent liabilities	33,538,259	
Total liabilities	34,795,070	
Deferred Inflows of Resources	- 1000 No. 400	
Pension deferrals	38,927	39,643
OPEB deferrals	310,021	133,452
Bond anticipation note premium	310,021	100,402
Total deferred inflows of resources	348,948	173,095
Net position		
Net investment in capital assets	28,458,873	29,923,832
Unrestricted	19,181,598	
Total net position	\$ 47,640,471	

Town of Boone, North Carolina

Water and Sewer Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) For the Fiscal Year Ended June 30, 2020

Revenues				2020		2019
Revenues					Variance	
Name					Positive	
Name		_	Budget	Actual	(Negative)	Actual
Name	Revenues					
Water charges \$ 3,479,150 \$ 3,417,167 \$ (6),983 \$ 3,502,062 Sewer charges 3,671,062 3,466,002 (205,066) 1,286,557 Water and sewer connection fees 2,473,000 1,465,636 (1,007,364) 1,238,557 Sepic Land discharge fees 110,000 158,350 48,350 3139,700 Other operating revenues 221,044 444,873 263,829 325,073 Total operating revenues 2,210,44 444,873 263,829 325,073 Total processing revenues 5,000 10,911 5,911 5,924 Investment earnings 15,000 144,328 179,328 44,425 Investment earnings 15,000 144,328 179,328 44,600 Total inconperating revenues 2,0000 205,239 185,239 1,688,560 Total revenues 2,0000 205,239 185,239 1,688,560 Total revenues 2,0000 2,0000 2,0000 1,0000 Total revenues 2,0000 2,0000 2,0000 2,0000 2,0000 Total revenues 2,0000 2,0000 2,0000 2,0000 2,0000 Total revenues 2,0000 2,0000 2,0000 2,0000 2,0000 2,0000 2,0000 Total revenues 2,00000 2,0000 2,0000						
Sewer charges 3,671,062 3,466,002 (200,000) 3,640,0649 Water and sewer connection fees 2,473,000 1,485,536 (1,007,364) 1,238,557 Septic tank discharge fees 110,000 185,350 48,350 328,073 Total operating revenues 9,954,256 8,992,027 (962,229) 8,846,040 Nonoperating revenues USDA grant - 1,648,903 326,328 325,073 Sale of fixed assets 5,000 10,911 5,911 5,541 5,511 </td <td>•</td> <td>\$</td> <td>3.479.150 \$</td> <td>3.417.167 \$</td> <td>(61 983) \$</td> <td>3 502 062</td>	•	\$	3.479.150 \$	3.417.167 \$	(61 983) \$	3 502 062
Water and sewer connection fees 2,473,000 1,465,636 (1,007,364) 1,238,657 Septic tank discharge fees 110,000 158,350 48,350 325,073 Other operating revenues 221,044 448,4873 263,829 325,073 Nonoperating revenues 29,954,256 8,992,027 662,229 8,846,040 Nonoperating revenues 5,000 10,911 5,911 5,624 Investment earnings 15,000 194,328 179,328 44,042 Total nonoperating revenues 9,974,256 9,197,266 (776,990) 10,544,699 Total nonoperating revenues 9,974,256 9,197,266 (776,990) 10,544,699 Total revenues 9,974,256 9,197,266 (776,990) 10,544,699 Total revenues 2,974,256 248,390 2,795 235,391 Total revenues 2,974,256 248,390 2,795 235,391 Total revenues 2,974,256 248,390 2,795 235,391 Total revenues		•			• • •	
Septic tank discharge fees						
Total prevenues \$9,954,256 \$9,90,207 \$0,000 \$0,	Septic tank discharge fees		110,000		• • • •	
Nonoperating revenues	Other operating revenues		221,044	484,873		
SSA grant	Total operating revenues		9,954,256	8,992,027	(962,229)	8,846,040
SSA grant	Napaparating rayonyas					
Sale of fixed assets 5,000 10,911 5,921 5,524 1,696,569 1,696,56						1 648 003
Total ronoperating revenues 2,0000 205,239 185,239 1,698,669 1,698,699 1,698			5,000	10 911	5 911	
Total revenues 20,000 205,239 185,239 1,698,690 Total revenues 9,974,256 9,197,266 (776,990) 10,544,609 Expenditures: Operations: Coperations: Administration - Public utilities Salaries and wages 251,185 248,390 2,795 235,391 FICA tax expense 18,876 17,885 1,011 17,002 30,071 Group medical insurance 56,003 51,441 4,562 50,816 Dental insurance 600 565 332 30,71 Life insurance 600 565 345 582 Unemployment insurance 400 565 365 582 Unemployment insurance 100 565 345<			•	. •	•	-
Total revenues 9,974,256 9,197,266 (776,990) 10,544,609	•	-				
Expenditures	,	_				700°
Administration - Public utilities Salaries and wages 251,185 248,390 2,795 235,391 Overtime 3,500 2,321 1,179 2,300 FICA tax expense 18,876 17,865 1,011 17,002 Retirement 34,544 33,652 892 30,071 Group medical insurance 56,003 51,441 4,562 59,816 Dental insurance 600 555 35 582 Unemployment insurance 435 4 431 60 Supplies and materials 19,870 14,270 5,600 15,331 Uniforms 1,750 770 980 1,376 Automotive supplies 18,995 3,417 15,578 1,707 Travel and training 10,150 7,111 3,093 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections 12,500 5,923 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Group medical insurance 1,100 1,023 77 1,017 Unemployment insurance 83,300 80,363 2,937 75,525 Dental insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 893,500 588,899 107,601 135,890 Uniforms 12,500 1,631 869 11,248 Automotive supplies 3,750 6,248 2,452 5,399 Telephone 2,750 2,142 608 2,359 Telephone 3,750 2,462 3,844 3,365 Tavel and training 8,750 6,288 2,452 5,399 Telephone 2,750 2,142 608 2,359 Telephon	Total revenues	_	9,974,256	9,197,266	(776,990)	10,544,609
Administration - Public utilities Salaries and wages 251,185 248,390 2,795 235,391	Expenditures:					
Salaries and wages 251,185 248,390 2,795 235,391 Overtime 3,500 2,321 1,179 2,300 FICA tax expense 18,876 17,865 1,011 17,002 Retirement 34,544 33,652 892 30,071 Group medical insurance 56,003 51,441 4,562 50,816 Dental insurance 600 565 35 582 Unemployment insurance 435 4 431 60 Supplies and materials 19,870 14,270 5,600 15,331 Uniforms 1,750 770 980 1,376 Automotive supplies 18,995 3,417 15,578 1,707 Traval and training 10,150 7,111 3,099 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 3.99 1,32 Maintenance and repairs 6,750 1,619 5,131 771 Advert	•					
New Name						
FICA tax expense	=		•	-	•	-
Retirement			•	•	•	-
Group medical insurance 56,003 51,441 4,562 50,816 Dental insurance 3,705 3,337 368 3,171 Life insurance 600 565 35 582 Unemployment insurance 435 4 431 60 Supplies and materials 19,870 14,270 5,600 15,331 Uniforms 1,750 770 980 1,376 Automotive supplies 18,995 3,417 15,578 1,707 Travel and training 10,150 7,111 3,039 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 3399 1,313 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Offic			•	•	•	•
Dental insurance 3,705 3,337 368 3,171 Life insurance 600 565 35 582 Unemployment insurance 435 4 431 60 Supplies and materials 19,870 14,270 5,600 15,331 Automotive supplies 18,995 3,417 15,578 1,707 Travel and training 10,150 7,111 3,039 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections - - - -			•			-
Life insurance 600 565 35 582 Unemployment insurance 435 4 4 431 60 Supplies and materials 19,870 14,270 5,600 15,331 Uniforms 1,750 770 980 1,376 Automotive supplies 18,995 3,417 15,578 1,707 Travel and training 10,150 7,111 3,039 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections Lobbyist 160,000 155,105 4,895 158,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (842) 29,496 Retirement 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 588,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,867 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,041	•		•	•	•	•
Unemployment insurance 435 4 431 60 Supplies and materials 19,870 14,270 5,600 15,331 Uniforms 1,750 770 980 1,376 Automotive supplies 18,995 3,417 15,578 1,707 Travel and training 10,150 7,111 3,039 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 359 1,322 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections - - - - - - Lobbyist 160,000 155,105 4,895 </td <td></td> <td></td> <td>•</td> <td></td> <td></td> <td></td>			•			
Supplies and materials 19,870 14,270 5,600 15,331 Uniforms 1,750 770 980 1,376 Automotive supplies 18,995 3,417 15,578 1,707 Travel and training 10,150 7,111 3,039 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections - - - - - - - - - - - - - - - - - - -						
Uniforms 1,750 770 980 1,376 Automotive supplies 18,995 3,417 15,578 1,707 Travel and training 10,150 7,111 3,039 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections - - - - Lobbyist 160,000 155,105 4,995 158,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249				•		
Automotive supplies 18,995 3,417 15,578 1,707 Travel and training 10,150 7,111 3,039 5,312 Telephone 5,950 6,126 (176) 4,481 Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections 1- Lobbyist 160,000 155,105 4,895 188,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and bonds 24,042 21,961 2,081 24,042	• •		•	•	•	-
Travel and training 10,150 7,111 3,039 5,312 Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections - - - Lobbyist 160,000 155,105 4,895 158,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 <td></td> <td></td> <td>•</td> <td></td> <td></td> <td>-</td>			•			-
Telephone 5,950 6,126 (176) 4,461 Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections - - - - Lobbyist 160,000 155,105 4,895 158,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978	•••		•	•	•	-
Postage 1,500 1,141 359 1,132 Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections - - - - - Lobbyist 160,000 155,105 4,895 158,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement	•		•	•	•	•
Maintenance and repairs 6,750 1,619 5,131 771 Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections - - - Lobbyist 160,000 155,105 4,895 158,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insura	·			•	, ,	-
Advertising 3,000 2,387 613 1,313 Dues and subscriptions 18,570 14,363 4,207 2,878 Insurance and bonds 4,125 3,778 347 4,121 Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections -			•	•		•
Insurance and bonds			3,000	2,387	613	1,313
Office supplies and equipment 15,250 9,126 6,124 12,316 Engineering - administration and inspections -	Dues and subscriptions		18,570	14,363	4,207	2,878
Engineering - administration and inspections 160,000 155,105 4,895 158,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182	Insurance and bonds		4,125	3,778	347	4,121
Lobbyist 160,000 155,105 4,895 158,439 Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies	Office supplies and equipment		15,250	9,126	6,124	12,316
Contracted services 112,500 56,223 56,277 27,633 Total administration - public utilities 747,258 633,009 114,249 576,182 Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training </td <td>Engineering - administration and inspections</td> <td></td> <td>C24</td> <td>22</td> <td>•</td> <td>\$</td>	Engineering - administration and inspections		C24	22	•	\$
Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 <	•			-	4,895	158,439
Water operations: Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500		_				
Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,899 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707	Total administration - public utilities	_	747,258	633,009	114,249	576,182
Salaries and wages 390,781 390,962 (181) 371,946 Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,899 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707	Mater angustions					
Overtime 7,500 5,903 1,597 8,131 FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537	•		300 701	300 063	(404)	274 046
FICA tax expense 29,978 30,820 (842) 29,496 Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042				-		
Retirement 54,862 55,527 (665) 48,666 Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042						
Group medical insurance 83,300 80,363 2,937 75,525 Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042	•		-			•
Dental insurance 7,542 7,174 368 7,150 Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042						
Life insurance 1,100 1,023 77 1,017 Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042	·					
Unemployment insurance 915 7 908 133 Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042			-	•		
Supplies and materials 693,500 585,899 107,601 135,890 Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042			-			•
Uniforms 12,500 11,631 869 11,248 Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042	• •					
Automotive supplies 20,250 14,667 5,583 18,835 Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042	• •				1.000	-
Travel and training 8,750 6,298 2,452 5,399 Telephone 2,750 2,142 608 2,359 Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042	Automotive supplies				5,583	
Electricity 26,000 22,166 3,834 25,707 Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042	Travel and training		8,750	6,298		
Maintenance and repairs 370,500 211,728 158,772 19,537 Insurance and bonds 24,042 21,961 2,081 24,042			•	2,142	608	2,359
Insurance and bonds 24,042 21,961 2,081 24,042				22,166	3,834	25,707
·	·				158,772	
Postage 750 79 671 500						
	Postage		750	79	671	500

Town of Boone, North Carolina

Water and Sewer Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) For the Fiscal Year Ended June 30, 2020

		2020		2019
	-		Variance	***
	Budget	Actual	Positive (Negative)	Actual
0.67	4.500			0.117
Office supplies and equipment	4,500	2,308	2,192	2,117
Advertising	1,000	1 400	1,000	713
Dues and subscriptions	2,000	1,480	520 3.050	1,430
Facility license fees	4,000 2,500	50 138	3,950	125
Equipment rental Contracted services	29,690	949	2,363 28,741	17,004
Total water operations	1,778,710	1,453,277	325,433	806,972
				1.77.
Water treatment plant:				
Salaries and wages	326,234	284,326	41,908	305,248
Overtime	· ·		-	÷(
FICA tax expense	24,957	21,447	3,510	23,045
Retirement	43,459	39,786	3,673	39,091
Group medical insurance	56,400	54,351	2,049	51,111
Dental insurance	5,221	4,414	807	4,906
Life insurance	700	685	15	694
Unemployment insurance	675	5	670	93
Supplies and materials	12,300	4,945	7,355	7,826
Chemical supplies	111,200	74,519	36,681	100,349
Uniforms	4,500	3,844	656	3,147
Automotive supplies	2,200	1,286	914	1,910
Travel and training	2,500	2,281	219	2,843
Telephone	11,650	8,742	2,908	6,426
Postage	2,500	702	1,798	1,271
Electricity and heat	207,400	209,361	(1,961)	212,636
Maintenance and repairs	122,910	116,090	6,820	48,573
Advertising	500	22.652	500	20,000
Insurance and bonds	23,700	23,653	47	26,096
Dues and subscriptions	750	246	504	367
Facility license fees	3,000	2,850	150 640	2,850
Consumer confidence study Raw water study	4,000	3,360	040	3,069
Contracted services	88,309	78,574	9,735	983,963
Total water treatment plant	1,055,065	935,467	119,598	1,825,515
			1,0	
Sewer operations:				
Salaries and wages	390,782	390,964	(182)	371,948
Overtime	7,500	5,904	1,596	8,132
FICA tax expense	29,978	30,826	(848)	29,501
Retirement	54,863	55,530	(667)	48,669
Group medical insurance	83,300	80,364	2,936	75,530
Dental insurance	7,542	7,174	368	7,150
Life insurance	1,100	1,023	77	1,017
Unemployment insurance	915	7	908	133
Supplies and materials	87,038	24,108	62,930	38,121
Chemical supplies	3,000	575	2,425	876
Uniforms Automotive supplies	13,250	12,783	467	10,377
• • • • • • • • • • • • • • • • • • • •	23,750	15,720	8,030	19,374
Travel and training	8,000 9,500	3,888 6,389	4,112 3,111	6,716
Electricity				8,338
Telephone Maintenance and repairs	3,750 16,400	3,836	(86) 5.000	2,866 15.706
Maintenance and repairs	16,400 6,985	10,500 1,713	5,900 5,272	15,706 6,827
Equipment rental		1,713 21,961		
Insurance and bonds Advertising	24,543 -	21,901	2,582	24,042
Dues and subscriptions	1,750	1,750	; - 1:	1,550
Facility license fees	1,500	1,310	190	1,310
Office supplies and equipment	4,250	2,673	1,577	3,087
Postage	750	189	561	140
Contracted services	75,130	75,040	90	575
Total sewer operations	855,576	754,228	101,348	681,985
		,,		,

Town of Boone, North Carolina Water and Sewer Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) For the Fiscal Year Ended June 30, 2020

		2020		2019
		219K-11-6.91	Variance Positive	
	Budget	Actual	(Negative)	Actual
Wastewater treatment plant operations:				
Salaries and wages	495,704	495,719	(15)	469,637
Overtime	7,000	3,868	3,132	5,674
FICA tax expense	37,692	36,621	1,071	34,828
Retirement	68,978	69,914	(936)	60,869
Group medical insurance	100,300	96,436	3,864	77,176
Dental insurance	8,698	8,256	442	8,005
Life Insurance	1,300	1,222	78	1,174
Unemployment Insurance	995	. 8	987	160
Printing	600	543	57	372
Postage	2,500	1,819	681	1,420
Supplies and materials	21,200	3,332	17,868	16,341
Chemical supplies	90,000	77,941	12,059	77,932
Uniforms	15,000	11,959	3,041	13,987
Automotive supplies	5,800	3,289	2,511	3,985
Advertising	((€)	1180	*	531
Travel and training	10,200	8,513	1,687	1,953
Equipment rental	2,000	1,675	325	649
Telephone	7,300	4,218	3,082	5,169
Electricity and heat	471,200	403,946	67,254	513,849
Maintenance and repairs	176,250	149,899	26,351	87,889
Insurance and bonds	49,970	49,954	16	47,769
Dues and subscriptions	1,950	1,665	285	6,108
Facility license fees	7,000	6,935	65	2,741
Fines and penalties	•(•		N + 3
Contracted services	48,750	41,966	6,784	43,391
Total wastewater treatment plant operations	1,630,387	1,479,698	150,689	1,481,607
Utility billing and accounting:				
Salaries and wages	152,359	143,382	8,977	138,735
Overtime	500	35	465	354
FICA tax expense	11,694	9,480	2,214	9,186
Retirement	18,889	18,880	9	16,646
Group medical insurance	25,000	24,109	891	22,960
Dental insurance	2,275	2,174	101	2,174
Life Insurance	350	328	22	328
Unemployment insurance	273	2	271	53
Supplies and materials	24,300	9,506	14,794	7,050
Travel and training	3,000	2,043	957	1,617
Telephone	3,000	1,312	1,688	1,702
Fiber - utility building	15,000	7,386	7,614	6,872
Postage	25,000	24,480	520	26,522
Insurance	1,185	1,068	117	1,185
Advertising	250	*	250	· · ·
Credit card fees	48,000	47,018	982	37,380
Computer services	3,000	3,000	(E)	896
Contracted services	9,500	9,092	408	7,768
Professional services			;•03	1,850
Maintenance and repairs				
Total utility billing and accounting	343,575	303,297	40,278	282,382
Total operating expenditures	6,410,571	5,558,975	851,596	5,654,643
Budgetary appropriations				
Debt service:				
Principal repayments	624,860	₩	624,860	32,916,000
Interest expense	905,485	900,805	4,680	1,270,175
Total debt service	1,530,345	900,805	629,540	34,186,175

Town of Boone, North Carolina

Water and Sewer Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) For the Fiscal Year Ended June 30, 2020

			2020		2019
	2			Variance	
				Positive	
	Budget		Actual	(Negative)	Actual
Capital autlaw					
Capital outlay: Administration					
Water operations	15,000		-	15 000	E 220
·	13,000			15,000	5,330
Water treatment plant Sewer operations	194,878		153,275	41,603	7,169,477 293,615
Wastewater treatment plant operations	25,812		24,847	965	26,013
Utility billing and accounting	14,000		18,873	(4,873)	20,013
Total capital outlay	249,690	_	196,995	52,695	7,494,435
rotal capital outlay	243,030		130,333	32,033	7,454,455
Total budgetary appropriations	1,780,035		1,097,800	682,235	41,680,610
Total expenditures	8,190,606		6,656,775	1,533,831	47,335,253
Revenues over (under) expenditures	1,783,650		2,540,491	756,841	(36,790,644)
Other financing sources:					
Transfer from (to) general fund	(201,967)		(201,967)	325	(143,453)
Proceeds from long term debt	87,334		(==:,==:,	(87,334)	32,617,995
Transfer from (to) capital reserve	(2,050,651)		2	2,050,651	22,011,000
Transfer from (to) capital projects fund	(=,555,55.)		2		/I - 5
Fund balance appropriated	381,634		· ·	(381,634)	5 4 3
Total other financing sources	(1,783,650)		(201,967)	1,581,683	32,474,542
	1 (A)		:		
Net change in fund balances	\$ -	\$	2,338,524	\$ 2,338,524	\$ (4,316,102)
Reconciliation from budgetary basis (modified accrual) to full accrual					
Net change in fund balances		\$	2,338,524		
Reconciling items:					
Bad debt expense			(1,108,213)		
(Increase) decrease in compensated absences			(38,889)		
(Increase) decrease in OPEB obligation			(89,822)		
Deferred outflows of resources for contributions					
made to pension plan in current fiscal year			172,659		
Pension expense			(346,187)		
Depreciation			(2,193,557)		
Amortization			=		
Increase (decrease) in inventory			415,302		
Capital outlay			196,995		
Principal proceeds			*		
Principal repayments			2		
Capital projects investment earnings			×		
Transfer to water sewer capital projects		2.74	22		
Total			(2,991,712)		
Change in net position (Exhibit G)		\$	(653,188)		
2			-		

Town of Boone, North Carolina Insurance Fund Comparative Balance Sheets June 30, 2020 and June 30, 2019

ACCETO	Jun	e 30, 2020	Ju	ne 30, 2019
ASSETS Current assets:				
Cash and cash equivalents Accounts receivable, net	\$	484,632 1,354	\$	1,038,313
Total assets	\$	485,986	\$	1,038,313
Liabilities: Current liabilities:				
Accounts payable and accrued liabilities	\$	123,961	\$	109,710
Net position:				
Unrestricted	**	362,025	-	928,603
Total liabilities and net position	\$	485,986	\$	1,038,313

Town of Boone, North Carolina Insurance Fund

Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP) For the Fiscal Year Ended June 30, 2020

		2020		2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:		-		***************************************
Operating revenues				
Premium charges \$	2,022,315 \$	2,020,866 \$	(1,449) \$	1,873,710
Nonoperating revenues				
Investment earnings	1,000	292	(708)	975
Miscellaneous revenue	1,500		(1,500)	1,273
Total nonoperating revenues	2,500	292	(2,208)	2,248
Total revenues	2,024,815	2,021,158	(3,657)	1,875,958
Expenditures: Administration Claims and administrative charges	2,722,815	2,573,485	149,330	2,152,834
Claims and administrative charges	2,722,013	2,070,400	149,000	2,102,004
Revenues over (under) expenditures	(698,000)	(552,327)	145,673	(276,876)
Other financing sources:				
Appropriated fund balance	698,000		(698,000)	
Total other financing sources	698,000		(698,000)	
Net change in fund balances	\$ -	\$ (552,327)	\$ (552,327)	\$ (276,876)
Reconciliation from financial plan basis (modified accrual) to full accrual				
Revenues over expenditures		\$ (552,327)		\$ (276,876)
Reconciling items: (Increase) decrease in reserve for un	paid claims	<u>(14,251)</u>		(46,629)
Change in net position (Exhibit (G)	\$ (566,578)		\$ (323,505)

Town of Boone, North Carolina Schedule of Ad Valorem Taxes Receivable June 30, 2020

of Levy	- 1	ncollected Balance ne 30, 2019	(<u></u>	Additions	collections and Credits		Uncollected Balance une 30, 2020
2019	\$	#*	\$	6,076,513	\$ 6,039,790	\$	36,723
2018		29,599		2.72	14,246		15,353
2017		22,691		57	3,564		19,127
2016		4,776		:=:	1,550		3,226
2015		6,104		727	1,329		4,775
2014		6,386		3 5	181		6,205
2013		186		(*)	· e s		3 7
2012) =)(X -2	i ⊕ 6		
2011		8,468		9 2	246		8,468
2010		5,531		16	430		5,101
2009		4,692	8		 4,692	1	
	\$	88,247	\$	6,076,513	\$ 6,065,782		98,978
Less: Allowar	nce for uncolle	ectible accounts	3				(50,000)
Less: Allowar			3			\$	(50,000) 48,978
Ad valorem ta	axes receiva			venues:		\$ =	
Ad valorem to Reconciliatio Ad valorem to General fu	axes receival on of collection axes:	ble, net		venues:		\$ = \$	
Ad valorem to Reconciliatio Ad valorem to General fu Reconciling i	axes receival on of collection axes: and items:	ble, net		venues:		_	48,978 6,062,800
Ad valorem to Reconciliatio Ad valorem to General fun Reconciling i	axes receival on of collection axes: and atems:	ble, net		venues:		_	48,978 6,062,800 (11,157)
Ad valorem to Reconciliation Ad valorem to General fur Reconciling interest columns al	axes receival on of collection axes: and items: llected lowed	ble, net		venues:		_	48,978 6,062,800 (11,157) 4,713
Ad valorem to Reconciliatio Ad valorem to General fun Reconciling i	axes receival on of collection axes: and items: llected lowed	ble, net		venues:		_	48,978 6,062,800 (11,157)

Town of Boone, North Carolina Analysis of Current Tax Levy Year Ended June 30, 2020

							Total	Le	vy
	-		「own - Wide)			Property excluding Registered		Registered
		Property	Dete		Total		Motor		Motor
Original levy:	7	Valuation	_Rate_	-	Levy	- 6	Vehicles	8 4	Vehicles
Property taxed at current year's rate	\$	1,472,525,854	0.41	\$	6,037,356	\$	5,815,730	\$	221,626
Penalties	-			-					
Total	_	1,472,525,854		-	6,037,356		5,815,730		221,626
Discoveries:									
Current year taxes		19,171,219	0.41		78,602		78,602		8
Prior year taxes	_		0.41	_	9				<u> </u>
Total	-	19,171,219		*	78,602		78,602	,	
Abatements	-	(9,620,732)	0.41	100	(39,445)		(39,445)	5 S	<u> </u>
Total property valuation	\$_	1,482,076,341							
Net levy					6,076,513		5,854,887		221,626
Uncollected taxes at June 30, 2020					36,723		34,699	ě s	2,024
Current year's taxes collected				\$	6,039,790		\$ 5,820,188		\$ 219,602
Current levy collection percentage					99.40%		99.41%		99.09%

Town of Boone, North Carolina Municipal Service District Schedule of Ad Valorem Taxes Receivable June 30, 2020

of Levy	1	ncollected Balance ne 30, 2019		Additions		Collections and Credits		ncollected Balance ne 30, 2020
2019	\$	-	\$	133,572	\$	130,726	\$	2,846
2018		1,002		-		539		463
2017		4,919		-		() (4)		4,919
2016		=		2		(S <u>=</u>)		벌
2015		=		¥		ije		
2014		19		-		137		19
2013		67		-		·(•		67
2012		145		2		Ya=		145
2011		11		*		7€		11
2010		370		.		H 		370
2009	2	257	-	-	4	257	145.50	
	\$	6,790	\$	133,572	\$	131,522		8,840
Less: Allowar	nce for uncolle	ectible accounts	s					(1,000)
Less: Allowar			S				 \$	(1,000 <u>)</u> 7,840
Ad valorem t	axes receiva			venues:				-
Ad valorem to Reconciliation Ad valorem to Special Re	axes receival on of collection axes: evenue Fund	ble, net		venues:			\$ ===	-
Ad valorem to Reconciliation Ad valorem to Special Re Reconciling i	axes receival on of collection axes: evenue Fund items:	ble, net		venues:			_	7,840 131,789
Ad valorem to Reconciliation Ad valorem to Special Reconciling interest co	axes receival on of collection axes: evenue Fund items: llected	ble, net		venues:			_	7,840
Ad valorem to Reconciliation Ad valorem to Special Reconciling interest conceptions along the Refunds	axes receival on of collection axes: evenue Fund items: llected	ble, net		venues:			_	7,840 131,789
Ad valorem to Special Re Reconciling interest co Refunds al Taxes written	axes receival on of collection axes: evenue Fund items: llected	ble, net		venues:			_	7,840 131,789

Town of Boone, North Carolina Municipal Service District Analysis of Current Tax Levy Year Ended June 30, 2020

						Total L	.evy
	_	Property Valuation			Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:	œ	62 007 640	0.24	•	124 206 6	422.422.6	4 704
Property taxed at current year's rate Penalties	\$	63,907,619	0.21	\$	134,206 \$	132,422 \$	1,784
Total		63,907,619		-	134,206	132,422	1,784
Discoveries:							
Current year taxes		1,708,571	0.21		3,588	3,588	
Prior year taxes	-			-		-	-
	_	1,708,571		-	3,588	3,588	
Abatements		(2,010,476)	0.21	_	(4,222)	(4,222)	F20
Total property valuation	\$_	63,605,714					
Net Levy					133,572	131,788	1,784
Uncollected taxes at June 30, 2020				-	2,846	2,679	167
Current year's taxes collected				\$_	130,726 \$	129,109	1,617
Current levy collection percentage				_	97.87%	97.97%	90.64%

Town of Boone, North Carolina Rural Fire Service District Schedule of Ad Valorem Taxes Receivable June 30, 2020

Year of Levy				Collections and Credits		Jncollected Balance une 30, 2020		
2019	\$	5.	\$	949,863	\$	933,685	\$	16,178
2018		14,109		: ! ((6,662		7,447
2017		3,494		\$ `` \$(791		2,703
2016		2,763		120		639		2,124
2015		1,767		38		148		1,619
2014		912		₹ - 3		327		585
2013		-		1– 3		>		-
2012		-		525		9		≝
2011		≝				ä		ž
2010		114		£7%		18		96
2009	<u></u>	262		·		262		
	\$	23,42 1	\$	949,86 3	\$	942,5 2		30,752
ess: Allowan	nce for uncoll	ectible accounts	i					<u> </u>
d valorem ta	axes receiva	ble, net					\$	30,75
econciliatio	n of collecti	ons and credits	with re	venues:				
d valorem ta							•	0.10.15
Special Rev							\$	943,13
econciling i								10.00
Interest colle								(3,02
Refunds allo								2,16
Taxes writte		.40						26
iviiscellaneo	us adjustmer	แร						
Total co	ollections ar	nd credits					\$	942,53

Town of Boone, North Carolina Rural Fire Service District Analysis of Current Tax Levy Year Ended June 30, 2020

							Total	Le	vy
	_	Property Valuation	Rate	Total Levy		· ·	Property Excluding Registered Motor Vehicles		Registered Motor Vehicles
Original levy:	•	4 500 454 007	0.00	•	000 004	•	070 000	•	07.005
Property taxed at current year's rate Penalties	\$	1,566,151,667	0.06	\$	939,691	\$	872,006	\$	67,685
Total	-	1,566,151,667		-	939,691		872,006	<u> </u>	67,685
Discoveries:									
Current year taxes		22,830,001	0.06		13,698		13,698		₹.
Prior year taxes	-	-	0.06	1	40.000	e 11	40.000	-	
	-	22,830,001		-	13,698		13,698	-	
Abatements	_	(5,876,667)	0.06)=	(3,526)	62	(3,526)		5
Total property valuation	\$_	1,583,105,001							
Net Levy					949,863		882,178		67,685
Uncollected taxes at June 30, 2020				-	16,178		14,245	(<u>)</u>	1,933
Current year's taxes collected				\$_	933,685	\$	867,933	\$_	65,752
Current levy collection percentage					98.30%		98.39%	. 4	97.14%

Compliance Section

2348 Hwy. 105, Suite 5 P.O. Box 1098 Boone, NC 28607 828-264-6700 Fax: 828-264-7756

Billy G. Combs, CPA Douglas M. Tennant, CPA Jason D. Carpenter, CPA Brady L. Combs, CPA Tanya L. Singleton, CPA Emily W. Reynolds, CPA 311 Linville Street P.O. Box 1480 Newland, NC 28657 828-733-0066 Fax: 828-733-8689

Independent Auditors' 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 Town Council Town of Boone, North Carolina

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Boone, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Boone's basic financial statements, and have issued our report thereon dated January 22, 2021. The financial statements of the Town of Boone ABC Board, the Boone Tourism Development Authority, and the Downtown Boone Development Association were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Boone'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 Boone's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Boone'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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Boone'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.

COMBS, TENNANT & CARPENTER, P.C.

COMBS, TENMENT + CAMENTER, P.C.

Certified Public Accountants Boone, North Carolina

January 22, 2021



2348 Hwy. 105, Suite 5 P.O. Box 1098 Boone, NC 28607 828-264-6700 Fax: 828-264-7756

Billy G. Combs, CPA
Douglas M. Tennant, CPA
Jason D. Carpenter, CPA
Brady L. Combs, CPA
Tanya L. Singleton, CPA
Emily W. Reynolds, CPA

311 Linville Street P.O. Box 1480 Newland, NC 28657 828-733-0066 Fax: 828-733-8689

Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act

Independent Auditors' Report

Honorable Mayor and members of the Town Council Town of Boone Boone, North Carolina

Report on Compliance for Each Major State Program

We have audited Town of Boone, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Boone's major State programs for the year ended June 30, 2020. The Town of Boone's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Boone's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Town of Boone's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town of Boone's compliance.

Opinion on Each Major State Program

In our opinion, the Town of Boone complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2020.

Report On Internal Control Over Compliance

Management of the Town of Boone is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Town of Boone's internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

COMBS, TENNANT & CARPENTER, P.C.

COMBS, TONDANT + CARPENTER, P.C.

Certified Public Accountants Boone, North Carolina

January 22, 2021

Town of Boone, North Carolina Schedule of Findings and Questioned Costs June 30, 2020

Section I. Summary o	of Auditors' Results	
Financial Statements		
Type of auditors' report issued: Unmodified		
Internal control over financial reporting:		
Material weakness(es) identified?	yes	Kno
Significant deficiency(s) indentified that are not considered to be material weaknesses?	yes	Xnone reported
Noncompliance material to financial financial statements noted	yes>	Xno
State Awards		
Internal control over major state programs:		
Material weakness(es) identified?	yes	Xno
Significant deficiency(s) indentified that are not considered to be material weaknesses?	yes	Xnone reported
Type of auditors' report issued on compliance for maj	or state programs: Unmodified	l .
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	yes	Xno
Identification of major state programs:		
State Grantor Number Names of Federal Program or C		
DOT-4 Non-State System Street-Aid Alle Bill"	ocation, State Street-Aid to Mur	nicipalities "Powell

Town of Boone, North Carolina Schedule of Findings and Questioned Costs June 30, 2020

Sect	on II. Financial Statement Findin	ngs
	None Reported	
Section III.	Federal Award Findings and Quest	tioned Costs
	None Reported	
Section IV.	State Award Findings and Question	oned Costs

None Reported

Town of Boone, North Carolina Corrective Action Plan June 30, 2020

Sect	ion II.	Financial Statement Findings
		None Reported
Section III.	Feder	al Award Findings and Questioned Cost
		None Reported
Section IV.	State	e Award Findings and Questioned Costs

None Reported

Town of Boone, North Carolina Prior Year Audit Findings June 30, 2020

Prior Year Audit Findings

None Reported

Town of Boone, North Carolina Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA <u>Number</u>	State/ Pass-through Grantor's <u>Number</u>	Fed. (Direct & Pass-through) Expenditures		State Expenditures		Pass-through to subrecipients	
Federal Grants: Cash Programs:								
<u>U.S. Department of Justice</u> Passed-through N.C. Office of the Governor Edward Byrne Memorial Justice Assistance Grant	16.738	GOV-2	\$	24,237	\$:=	\$	(* 1)
U. S. Department of Transportation Passed-through N.C. Department of Transportation Highway Planning and Construction	20.205	47431.1.1		137,127		-		
Total assistance - federal programs				161,364			îs-	- 3
State Grants: Cash Assistance:								
N.C. Department of Transportation: Non-State System Street-Aid Allocation (Powell Bill)		DOT-4		*		565,578		() ₩()
Total assistance - State programs				•		565,578		
Total assistance			\$	161,364	_\$	565,578	\$	

Note 1: Basis of Presentation

The accompanying schedule of expenditures of Federal and State awards (SEFSA) includes the Federal and State grant activity of the Town of Boone under the programs of the Federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Boone, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Boone.

Note 2: Summary of Significant Accounting Policies

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The Town of Boone has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.