

**Town of Boardman
Boardman, North Carolina**

Audited Financial Statements

Year Ended June 30, 2021

Town of Boardman, North Carolina
Audited Financial Statements
For the Fiscal Year Ended June 30, 2021

Mayor
Randy Williamson

Town Council
Tevis Britt
James Smith
Eric Williamson
Minnie Turbeville
Crystal Rogers

Administrative
Crystal Rogers, Town Clerk
Carolyn Sealey, Finance Officer
Al Leonard, Town Planner
William Phipps, Sr., Town Attorney

Town of Boardman, North Carolina
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Financial Section

S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Boardman, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Boardman North Carolina. The combining and individual fund statements, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the individual fund financial statements, budgetary schedules, and other schedules are fairly stated in, all material respects, in relation to the basic financial statements as a whole.

S. Preston Douglas & Associates, LLP

Whiteville, North Carolina

February 22, 2022

Management Discussion and Analysis

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

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

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

Financial Highlights

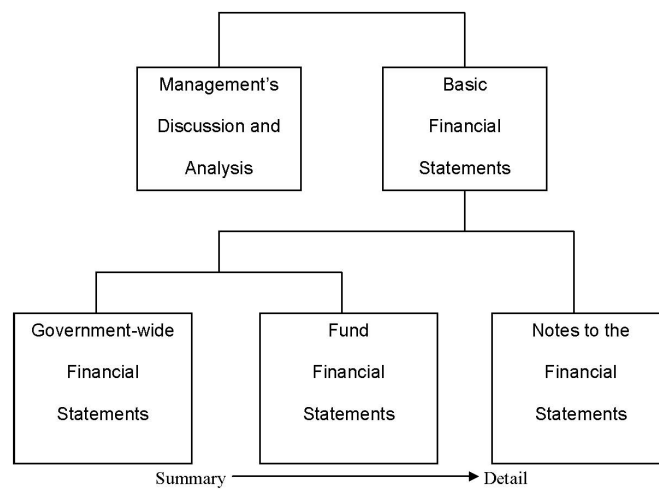
- The assets of the Town of Boardman exceeded its liabilities at the close of the fiscal year by \$1,471,735 (net position).
- As of the close of the fiscal year, the Town's governmental fund reported ending fund balance of \$407,883. Approximately 61.94% of this total amount, or \$252,656, is unassigned.
- At the end of the current fiscal year, the Town's net position decreased by \$71,800, with a \$10,428 increase in governmental activities and a \$82,228 decrease in business-type activities. This is primarily due to tax revenues collected and the depreciation of the water and sewer infrastructure.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



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

Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements.

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

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

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

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

The government-wide statements are divided into two categories: 1) governmental activities, 2) business-type activities. The governmental activities include most of the Town's basic services such as general government and general administration. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water and sewer services offered by the Town of Boardman.

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

Governmental Funds. Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies that are unexpended at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Boardman adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities.

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

The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 19 of this report.

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

Government-Wide Financial Analysis

The Town of Boardman's Net Position
Figure 2

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Totals 2021	Totals 2020
Current and other assets	\$ 408,868	\$ 396,684	\$ 67,554	\$ 78,137	\$ 476,422	\$ 474,821
Capital assets	84,836	86,594	1,041,123	1,112,768	1,125,959	1,199,362
Total assets	493,704	483,278	1,108,677	1,190,905	1,602,381	1,674,183
Current liabilities	130,646	130,648	-	-	130,646	130,648
Total liabilities	130,646	130,648	-	-	130,646	130,648
Net position						
Net investment in						
capital assets	84,836	86,594	1,041,123	1,112,768	1,125,959	1,199,362
Restricted	155,227	153,909	-	-	155,227	153,909
Unrestricted	122,995	112,127	67,554	78,137	190,549	190,264
Total net position	\$ 363,058	\$ 352,630	\$ 1,108,677	\$ 1,190,905	\$ 1,471,735	\$ 1,543,535

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

Government-Wide Financial Analysis (continued)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets of the Town exceeded liabilities by \$1,471,735 at the close of the current fiscal year. By far the largest portion of the Town's net position, 76.51%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should note that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position, \$155,227 represents the Town's resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$190,549, or 12.95%, of the total.

Town of Boardman's Changes in Net Position
Figure 3

	Governmental Activities 2021	Governmental Activities 2020	Business-Type Activities 2021	Business-Type Activities 2020	Totals 2021	Totals 2020
Program Revenues						
Charges for services	\$ -	\$ -	\$ 52,104	\$ 45,358	\$ 52,104	\$ 45,358
Capital grants/contributions	5,671	203,737	-	-	5,671	203,737
General revenues						
Property taxes	3,189	2,899	-	-	3,189	2,899
Other taxes	49,980	45,127	-	-	49,980	45,127
Grants and contributions			-	204,505		
not restricted	-	-	-	-	-	-
Other	2,207	4,473	-	-	2,207	4,473
Total revenues	61,047	256,236	52,104	249,863	113,151	506,099
Expenses:						
Governing body	7,462	7,698	-	-	7,462	7,698
Administration	35,402	28,513	-	-	35,402	28,513
Street department	7,755	7,252	-	-	7,755	7,252
Water and Sewer	-	-	134,332	341,742	134,332	341,742
Total expenses	50,619	43,463	134,332	341,742	184,951	385,205
Change in net position	10,428	212,773	(82,228)	(91,879)	(71,800)	120,894
Net position, beginning	352,630	139,857	1,190,905	1,282,784	1,543,535	1,422,641
Net position, ending	\$ 363,058	\$ 352,630	\$ 1,108,677	\$ 1,190,905	\$ 1,471,735	\$ 1,543,535

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

Government-Wide Financial Analysis (continued)

Governmental activities increased the Town's net position by \$10,428. The key element of this increase is the revenue from property taxes.

Business-type activities. Business-type activities decreased the Town's net position by \$82,228. The key element of this decrease is the depreciation of the water and sewer infrastructure.

Financial Analysis of the Government's Funds

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

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

The General Fund is the principal operating fund of the Town of Boardman. At the end of the fiscal year, unassigned fund balance for the general fund was \$252,656 with a total fund balance of \$407,883. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 517.09% of total General Fund expenditures, while total fund balance represents 834.78% of the same amount.

General Fund Budgetary Highlights

During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories:

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

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

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

Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$67,554. The total change in net position for the Water and Sewer Fund was a decrease of \$82,228. Other factors concerning this fund have been discussed in the Town's business-type activities.

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

Capital Assets and Debt Administration

Capital assets. The Town of Boardman's investments in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$1,125,959 (net of accumulated depreciation). The investments in capital assets includes land, buildings, improvements, equipment, infrastructure (including distribution systems).

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

	Governmental Activities		Business -type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 10,215	\$ 10,215	\$ -	\$ -	\$ 10,215	\$ 10,215
Construction in progress	-	-	-	-	-	-
Buildings & Improvements	74,050	75,696	251,106	259,642	325,156	335,338
Plant and distribution			790,017	853,126	790,017	853,126
Equipment	571	683	-	-	571	683
Total capital assets, net	\$ 84,836	\$ 86,594	\$ 1,041,123	\$ 1,112,768	\$ 1,125,959	\$ 1,199,362

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

Long-term debt. As of June 30, 2021, the Town of Boardman has a NCORR loan in the amount of \$130,000 expiring August 19, 2022. This is a loan based on a FEMA project that will be paid back with the FEMA funds once the project gets funded.

Budget Highlights for the Fiscal Year Ending June 30, 2022

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

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

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

Request for Information

This financial report is designed to provide a general overview of the Town of Boardman's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Officer, Town of Boardman; Post Office Box 87; Evergreen, NC 28438.

Basic Financial Statements

Town of Boardman, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 253,302	\$ 63,468	\$ 316,770
Taxes receivables, net	339	-	339
Accounts receivable	-	4,086	4,086
Due from other governments	3,936	-	3,936
Restricted cash and cash equivalents	151,291	-	151,291
Total current assets	408,868	67,554	476,422
Non-current assets:			
Capital assets (Note 3):			
Land and non-depreciable improvements	10,215	-	10,215
Other capital assets, net of depreciation	74,621	1,041,123	1,115,744
Total capital assets	84,836	1,041,123	1,125,959
Total assets	493,704	1,108,677	1,602,381
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	130,646	-	130,646
Total current liabilities	130,646	-	130,646
NET POSITION			
Net investment in capital assets	84,836	1,041,123	1,125,959
Restricted for:			
Stabilization by State Statute	3,936	-	3,936
Transportation - Powell Bill	21,408	-	21,408
NCORR Grant	129,883	-	129,883
Speacial Appropriation	-	-	-
Golden Leaf Foundation Grant	-	-	-
Unrestricted	122,995	67,554	190,549
Total net position	\$ 363,058	\$ 1,108,677	\$ 1,471,735

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental Activities:							
Governing body	\$ 7,462	\$ -	\$ -	\$ 2,127	\$ (5,335)	\$ -	\$ (5,335)
Administraton/Finance	35,402	-	-	-	(35,402)	-	(35,402)
Transportation	7,755	-	-	3,544	(4,211)	-	(4,211)
Total governmental activities	50,619	-	-	5,671	(44,948)	-	(44,948)
Business-type activities:							
Water and sewer	134,332	52,104	-	-	-	(82,228)	(82,228)
Total business-type activities	134,332	52,104	-	-	-	(82,228)	(82,228)
Total primary government	\$ 184,951	\$ 52,104	\$ -	\$ 5,671	(44,948)	(82,228)	(127,176)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					3,189	-	3,189
Other taxes					49,980	-	49,980
Investment earnings, unrestricted					424	-	424
Miscellaneous, unrestricted					1,783	-	1,783
Total general revenues not including transfers					55,376	-	55,376
Transfers					-	-	-
Total general revenues and transfers					55,376	-	55,376
Change in net position					10,428	(82,228)	(71,800)
Net position, beginning					352,630	1,190,905	1,543,535
Net position, ending					\$ 363,058	\$ 1,108,677	\$ 1,471,735

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

Town of Boardman, North Carolina
Balance Sheet
Governmental Funds (continued)
June 30, 2021

	<u>Major Fund</u> <u>General</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 253,302	\$ 253,302
Restricted cash and cash equivalents	151,291	151,291
Taxes receivables, net	339	339
Due from other governments	3,936	3,936
Total assets	<u>408,868</u>	<u>408,868</u>
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	<u>646</u>	<u>646</u>
Total liabilities	<u>646</u>	<u>646</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Property taxes receivable	<u>339</u>	<u>339</u>
Total deferred inflows of resources	<u>339</u>	<u>339</u>
<u>FUND BALANCES</u>		
Restricted		
Stabilization by State Statute	3,936	3,936
Transportation - Powell Bill	21,408	21,408
NCORR Grant	129,883	130,000
Special Appropriation	-	-
Unassigned	<u>252,656</u>	<u>252,656</u>
Total fund balances	<u>407,883</u>	<u>407,883</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 408,868</u>	

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

Town of Boardman, North Carolina
Balance Sheet
Governmental Funds (continued)
June 30, 2021

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

Total Fund Balance, Governmental Funds	\$	407,883
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Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.

Gross capital assets at historical cost	\$	93,616	
Accumulated depreciation		(8,780)	84,836

Other long-term assests (accrued interest receivable from taxes) are not available to pay current period expenditures and therefore are inflows of resources in the funds.		-
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Earned revenues considered deferred inflows of resources in fund statements		339
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Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds

Long-term debt		(130,000)
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Net position of governmental activities	\$	363,058
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Town of Boardman, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	<u>Major Fund</u> <u>General</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:		
Ad valorem taxes	\$ 3,134	\$ 3,134
Unrestricted intergovernmental	51,763	51,763
Restricted intergovernmental	5,671	5,671
Investment earnings	424	424
Total revenues	<u>60,992</u>	<u>60,992</u>
Expenditures:		
Current:		
Governing board	7,462	7,462
Administration/Finance	33,644	33,644
Streets	7,755	7,755
Capital outlay	-	-
Total expenditures	<u>48,861</u>	<u>48,861</u>
Excess (deficiency) of revenues		
over expenditures	<u>12,131</u>	<u>12,131</u>
Other financing sources (uses)		
Long-term obligation	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	12,131	12,131
Fund balances, beginning	395,752	395,752
Fund balances, ending	<u>\$ 407,883</u>	<u>\$ 407,883</u>

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

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

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

Net change in fund balances - total governmental funds	\$	12,131
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$	-	
Depreciation expense for governmental assets		(1,758)	(1,758)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue for tax revenues		55
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Total changes in net position of governmental activities	\$	10,428
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Town of Boardman, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 3,100	\$ 3,100	\$ 3,134	\$ 34
Unrestricted intergovernmental	42,660	42,660	51,763	9,103
Restricted intergovernmental	4,000	4,000	5,671	1,671
Investment earnings	200	200	424	224
Total revenues	<u>49,960</u>	<u>49,960</u>	<u>60,992</u>	<u>11,032</u>
Expenditures:				
Current:				
Governing body	8,475	8,475	7,462	1,013
Administration/finance	36,485	36,485	33,644	2,841
Streets	5,000	5,000	7,755	(2,755)
Total expenditures	<u>49,960</u>	<u>49,960</u>	<u>48,861</u>	<u>1,099</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>12,131</u>	<u>12,131</u>
Other financing sources (uses):				
Long-term obligation	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>12,131</u>	<u>\$ 12,131</u>
Fund balance, beginning			395,752	
Fund balance, ending			<u>\$ 407,883</u>	

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

Town of Boardman North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2021

	Water & Sewer Fund
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 63,468
Accounts receivable, net	4,086
Total current assets	67,554
Noncurrent assets:	
Capital assets:	
Other capital assets, net of depreciation	1,041,123
Total noncurrent assets	1,041,123
Total assets	\$ 1,108,677
 <u>NET POSITION</u>	
Net investment in capital assets	1,041,123
Restricted	-
Unrestricted	67,554
Total net position	\$ 1,108,677

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

Town of Boardman, North Carolina
Statement of Revenue, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	Water & Sewer Fund
Operating revenues:	
Water charges	\$ 23,675
Sewer charges	28,429
Total operating revenues	<u>52,104</u>
Operating expenses:	
Water:	
Administration	1,803
Other operating expenses	34,895
Sewer:	
Other operating expenses	25,989
Depreciation	71,645
Total operating expenses	<u>134,332</u>
Operating income (loss)	<u>(82,228)</u>
Nonoperating revenues (expenses)	<u>-</u>
Total nonoperating revenues	<u>-</u>
Income (loss) before transfers	(82,228)
Transfers to general fund	<u>-</u>
Change in net position	(82,228)
Total net position, beginning	1,190,905
Total net position, ending	<u>\$ 1,108,677</u>

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

Town of Boardman, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Water & Sewer Fund
Cash flows from operating activities	
Cash received from customers	\$ 51,506
Cash paid for goods and services	(62,089)
Net cash provided (used) by operating activities	<u>(10,583)</u>
Cash flows from capital and related financing activities	
Principal paid	-
Interest and fees paid	-
Grant Income	-
Net cash provided (used) by capital and related financing activities	<u>-</u>
Cash flows from investing activities	
Interest on investments	-
Net cash provided (used) by investing activities	<u>-</u>
Net increase (decrease) in cash	(10,583)
Cash and cash equivalents - beginning of year	<u>74,051</u>
Cash and cash equivalents - end of year	<u><u>\$ 63,468</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ (82,228)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities -	
Depreciation	71,645
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	-
Increase (decrease) in accounts payable and accrued liabilities	-
Total adjustments	<u>71,645</u>
Net cash provided (used) by operating activities	<u><u>\$ (10,583)</u></u>

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

Notes to the Financial Statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A – Reporting Entity

The Town of Boardman is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town. There are no discretely presented component units.

B – Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods and services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – government and proprietary – are presented. The emphasis of the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from the exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental fund:

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C – Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad Valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts.

Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C – Measurement Focus and Basis of Accounting (continued)

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered shared revenue for the Town of Boardman because the tax is levied by Columbus and then remitted to and distributed by the State. Most intergovernmental revenue and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, then general revenues.

D – Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments to the original budget must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances and the North Carolina Capital Management Trust (NCCMT).

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Restricted Assets

Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. The Special Appropriation funds are funds that were received through a state grant restricted to replenishing the office supplies and equipment of Town Hall after the flooding due to Hurricane Florence. The Golden Leaf Grant is restricted for the use of repairing and replacing water infrastructure damaged by natural disasters. Restricted cash at June 30, 2020 was \$150,834.

Town of Boardman's Restricted Cash

Governmental Activities	
General Fund	
Streets	\$ 21,408
NCORR Grant	\$ 129,883
Special Appropriation	-
Total Governmental Activities	<u>151,291</u>
 Total Restricted Cash	 <u><u>\$ 151,291</u></u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenue is reported net of such discounts.

5. Allowance for Doubtful Accounts

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

6. Inventory and Prepaid Items

The Town has no inventory or prepaid items.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated life in excess of two years. Minimum capitalization costs of the Town's assets are \$500 for all items. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Buildings	50
Infrastructure	25
Equipment and Furniture	10

8. Deferred Outflows/Inflows of Resources

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

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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 withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Compensated Absences

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

11. Net Position / Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

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

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

Restricted for Special Purpose by NCORR – These funds are restricted for the use of pre-funding a FEMA project to rebuild a resident's home that was destroyed by Hurricane Matthew.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Net Position / Fund Balances (continued)

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

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

The Town of Boardman does not have a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-Town funds, and then Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Noncompliance with North Carolina General Statutes

None.

2. Contractual Violations

None.

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

None.

C – Excess of Expenditures over Appropriations

None.

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS

A – Assets

1. Deposits

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

At June 30, 2021, the Town's deposits had a carrying amount of \$468,061 and a bank balance of \$468,061. The bank balance was fully covered by federal depository insurance due to the allocation of funds in both demand accounts and savings accounts.

2. Receivables - Allowance for Doubtful Accounts

Receivables at the government-wide level were as follows at June 30, 2021:

General Fund:	
Taxes receivable	\$ 339
Accrued interest receivable	-
Total General Fund	<u>339</u>
Water Fund:	
Accounts receivable	<u>4,086</u>
Total Water Fund	<u>4,086</u>
Total	<u>\$ 4,425</u>

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

General Fund:	
Allowance for doubtful accounts	\$ 300
Total	<u><u>\$ 300</u></u>

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A – Assets (continued)

3. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,215	\$ -	\$ -	\$ 10,215
Total capital assets not being depreciated	10,215	-	-	10,215
Capital assets being depreciated:				
Buildings	82,278	-	-	82,278
Equipment	1,123	-	-	1,123
Total capital assets being depreciated:	83,401	-	-	83,401
Less accumulated depreciation for:				
Buildings	6,583	1,646	-	8,229
Other improvements	439	112	-	551
Total accumulated depreciation	7,022	1,758	-	8,780
Total capital assets being depreciated, net	76,379			74,621
Governmental activities capital assets, net	<u>\$ 86,594</u>			<u>\$ 84,836</u>

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

A – Assets (continued)

3. Capital Assets (continued)

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

General government	\$ 1,758
Total depreciation expense	<u>\$ 1,758</u>

Business-type activities:	Beginning			Ending
Water & Sewer Fund	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Buildings & Improvements	426,809			426,809
Plant and distribution systems	1,577,714	-	-	1,577,714
Total capital assets being depreciated:	<u>2,004,523</u>	<u>-</u>	<u>-</u>	<u>2,004,523</u>
Less accumulated depreciation for:				
Buildings & Improvements	167,166	8,536	-	175,702
Plant and distribution systems	724,589	63,109	-	787,698
Total accumulated depreciation	<u>891,755</u>	<u>71,645</u>	<u>-</u>	<u>963,400</u>
Total capital assets being depreciated, net	<u>1,112,768</u>			<u>1,041,123</u>
Water & Sewer Fund capital assets, net	<u>\$ 1,112,768</u>			<u>\$ 1,041,123</u>

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

B – Liabilities

1. Pension Plan and Postemployment Obligations

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

2. Deferred Outflows and Inflows of Resources

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

Source	Amount
Taxes receivable, less penalties (General Fund)	\$ 339
Total	<u>\$ 339</u>

3. Risk Management

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

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

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$50,000.

4. Long-Term Obligations

The Town received a loan from the North Carolina Office of Recovery and Resiliency for the purpose of providing funds to cover the upfront costs of a FEMA project to rebuild a resident's home that was destroyed during Hurricane Matthew. The loan is required to be paid back when the Town is reimbursed by FEMA. The loan agreement is for three years and expires August 19, 2022.

C – Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 84,836	\$ 1,041,123
less: long-term debt	-	-
Net investment in capital asset	<u>\$ 84,836</u>	<u>\$ 1,041,123</u>

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

D – Fund Balance

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

Total Fund Balance - General Fund	\$ 407,883
Less:	
Stabilization by State Statute	3,936
Streets - Powell Bill	21,408
NCORR Grant	129,883
Special Appropriation	-
Remaining Fund Balance	\$ 252,656

NOTE 4 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assistance Programs

The Town has no existing contingencies at this time.

NOTE 5 – SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through February 22, 2022, which is the date the financial statements were available to be issued.

Individual Fund Statements and Schedules

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

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$	\$ 3,109	\$
Penalties and interest		25	
Total	<u>3,100</u>	<u>3,134</u>	<u>34</u>
Unrestricted intergovernmental:			
Local option sales taxes		43,275	
Telecommunications tax		440	
Utilities franchise tax		6,265	
Miscellaneous revenues		1,783	
Total	<u>42,660</u>	<u>51,763</u>	<u>9,103</u>
Restricted intergovernmental:			
Powell Bill Allocation		3,544	
Cares Act		2,127	
Total	<u>4,000</u>	<u>5,671</u>	<u>1,671</u>
Investment earnings	<u>200</u>	<u>424</u>	<u>224</u>
Total revenues	<u>\$ 49,960</u>	<u>\$ 60,992</u>	<u>\$ 11,032</u>
Expenditures:			
Governing body:			
Salaries and employee benefits	\$	\$ 6,875	\$
Operating expenditures		587	
Total governing body	<u>8,475</u>	<u>7,462</u>	<u>1,013</u>
Administration/Finance:			
Salaries and employee benefits		1,661	
Operating expenditures		31,983	
Capital outlay		-	
Total administration	<u>36,485</u>	<u>33,644</u>	<u>2,841</u>
Streets:			
Other expenditures		7,755	
Total streets	<u>5,000</u>	<u>7,755</u>	<u>(2,755)</u>
Total expenditures	<u>49,960</u>	<u>48,861</u>	<u>1,099</u>
Revenues over (under) expenditures		12,131	
Fund balance appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,131</u>	<u>\$ 12,131</u>
Fund balance, beginning		395,752	
Fund balance, ending		<u>\$ 407,883</u>	

Town of Boardman, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for services:			
Water charges	\$	\$ 23,675	\$
Sewer charges		28,429	
Total	<u>47,143</u>	<u>52,104</u>	<u>4,961</u>
<u>Expenditures:</u>			
Administration			
Other expenditures		1,803	
Total	<u>1,860</u>	<u>1,803</u>	<u>57</u>
Water treatment and distribution			
Other expenditures		34,895	
Total	<u>21,800</u>	<u>34,895</u>	<u>(13,095)</u>
Sewer operations			
Repairs & Maintenance		9,376	
Other expenditures		16,613	
Total	<u>23,483</u>	<u>25,989</u>	<u>(2,506)</u>
Total expenditures	<u>47,143</u>	<u>62,687</u>	<u>(15,544)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(10,583)</u>	<u>(10,583)</u>
<u>Other financing sources (uses):</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (10,583)</u>	<u>\$ (10,583)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures and other financing (uses)		<u>\$ (10,583)</u>	
Reconciling items:			
Capital outlay		-	
Depreciation		(71,645)	
Total reconciling items		<u>(71,645)</u>	
Change in net position		<u>\$ (82,228)</u>	

Other Schedules

This section contains additional information on property taxes

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

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

<u>Fiscal Year</u>	<u>Uncollected Balances June 30, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balances June 30, 2021</u>
<u>2020-2021</u>	\$ -	\$ 2,893	\$ 2,687	\$ 206
2019-2020	167	26	98	95
2018-2019	203	-	124	79
2017-2018	111	124	200	35
2016-2017	-	17	-	17
2015-2016	-	27	-	27
2014-2015	-	38	-	38
2013-2014	-	38	-	38
2012-2013	19	47	-	66
2011-2012	38	-	-	38
	<u>\$ 584</u>	<u>\$ 3,210</u>	<u>\$ 3,109</u>	<u>\$ 639</u>

Less: allowance for uncollectible accounts - General Fund 300

Ad valorem taxes receivable - net \$ 339

Reconciliation to revenues:

Ad valorem taxes - General Fund	\$ 3,134
Interest and penalties collected	(25)
Reconciling items:	
Taxes written off	-
Total collections and credits	<u><u>\$ 3,109</u></u>

Town of Boardman, North Carolina
Analysis of Current Year Tax Levy
Town-Wide Levy
June 30, 2021

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 5,904,003	0.05	\$ 2,893	\$ 2,448	\$ 445
Discoveries:					
Current and prior years			-	-	-
Releases:					
Current and prior years			-	-	-
Net levy			2,893	2,448	445
Uncollected taxes at June 30, 2021			(206)	(206)	-
Current year's taxes collected			<u>\$ 2,687</u>	<u>\$ 2,242</u>	<u>\$ 445</u>
Current levy collection percentage			<u>92.88%</u>	<u>91.58%</u>	<u>100.00%</u>