

REVIEWED

By SLGFD at 5:55 pm, Jan 07, 2022

**TOWN OF ROXOBEL
ROXOBEL, NORTH CAROLINA
JUNE 30, 2021**

Town Council Members

Gary Johnson, Mayor

David Baisey

Carolyn Bracy

Robert Phelps

Tim White

Administrative and Financial Staff

Evelyn Humerickhouse, Clerk, Finance Officer

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FINANCIAL SECTION

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To the Honorable Mayor
And Members of the Town of Roxobel
Roxobel, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Roxobel, 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 of 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Roxobel, 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 then 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 the Management's Discussion and Analysis 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 Roxobel, North Carolina. The individual fund statements, schedules, are presented for purposed of additional analysis and are not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Johnson, McLean & Company
October 19, 2021

BASIC FINANCIAL STATEMENTS

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

	Primary Government	
	Governmental Activities	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 540,222	\$ 540,222
Taxes receivables (net)	3,215	3,215
Accrued interest receivable on taxes	858	858
Accounts receivable (net)	11,630	11,630
Restricted cash	8,244	8,244
Total current assets	564,169	564,169
Capital Assets		
Land, non depreciable improvements, and construction in progress	30,450	30,450
Other capital assets, net of depreciation	69,085	69,085
Total Capital Assets	99,535	99,535
Total Assets	663,704	663,704
LIABILITIES		
Current liabilities:		
Accounts payable	4,759	4,759
Total liabilities	4,759	4,759
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	-	-
Net Position		
Net Investment in capital assets	99,535	99,535
Restricted		-
Stabilization by state statute	11,630	11,630
Streets	8,244	8,244
Unrestricted	539,539	539,539
Total net position	\$ 658,948	\$ 658,948

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
					Primary Government	
Primary government:						
Governmental Activities:						
General government	\$ 42,808	\$ -	\$ 956	\$ (41,852)	\$ (41,852)	(41,852)
Public safety	10,498	-	-	(10,498)	(10,498)	(10,498)
Transportation	32,904	-	7,465	(25,439)	(25,439)	(25,439)
Environmental protection - cemetery lot	24,809	11,049	-	(13,760)	(13,760)	(13,760)
Cultural and recreation	6,865	-	-	(6,865)	(6,865)	(6,865)
Total governmental activities (See Note 1)	117,884	11,049	8,421	(98,414)	(98,414)	(98,414)
Total primary government	\$ 117,884	\$ 11,049	\$ 8,421	(98,414)	(98,414)	(98,414)
General revenues:						
Taxes:						
Property taxes, levied for general purpose				27,166	27,166	27,166
Other taxes				68,572	68,572	68,572
Unrestricted investment earnings				564	564	564
Miscellaneous				13,584	13,584	13,584
Extraordinary item: Insurance Recovery				-	-	-
Sale of asset				4,725	4,725	4,725
Transfers				-	-	-
Total general revenues, special items, and transfers				114,611	114,611	114,611
Change in net position				16,197	16,197	16,197
Net position-beginning				642,751	642,751	642,751
Net position-ending				\$ 658,948	\$ 658,948	658,948

Town of Roxobel, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds		Non-Major Funds	Total
	General			
ASSETS				
Cash and cash equivalents	\$ 280,858	\$	259,364	\$ 540,222
Restricted cash	8,244		-	8,244
Receivables, net:				
Taxes	3,215		-	3,215
Accounts	11,630		-	11,630
Total assets	<u>303,947</u>		<u>259,364</u>	<u>563,311</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	4,759		-	4,759
Total liabilities	<u>4,759</u>		<u>-</u>	<u>6,126</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	3,215		-	3,215
Garbage fees receivable	-		-	-
Total deferred inflows of resources	<u>3,215</u>		<u>-</u>	<u>3,215</u>
Fund balances:				
Restricted				
Stabilization by state statute	11,630		-	11,630
Streets	8,244		-	8,244
Assigned				
Capital Projects Fund	-		259,364	259,364
Subsequent year's expenditure	-		-	-
Unassigned	276,099		-	276,099
Total fund balances	<u>295,973</u>		<u>259,364</u>	<u>555,337</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 303,947</u>	\$	<u>259,364</u>	

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

99,535

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred in the funds.

858

Liabilities for earned but deferred inflows in fund statements.

3,218

Net position of governmental activities

\$ 658,948

FUND FINANCIAL STATEMENTS

Roxobel, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	<u>Major Funds</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>		
REVENUES			
Ad valorem taxes	\$ 27,040	\$ -	\$ 27,040
Other taxes and licenses	-	-	-
Unrestricted intergovernmental	68,572	-	68,572
Restricted intergovernmental	7,465	-	7,465
Sales and services	11,049	-	11,049
Investment earnings	172	391	563
Miscellaneous	14,540	-	14,540
Total revenues	<u>128,838</u>	<u>391</u>	<u>129,229</u>
			-
EXPENDITURES			-
Current:			-
General government	40,531	-	40,531
Public safety	10,085	-	10,085
Transportation	29,920	-	29,920
Environmental protection	24,136	-	24,136
Culture and Recreation	6,865	-	6,865
Total expenditures	<u>111,537</u>	<u>-</u>	<u>111,537</u>
Excess (deficiency) of revenues over expenditures	<u>17,301</u>	<u>391</u>	<u>17,692</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	6,500	-	6,500
Transfers to other funds	-	(6,500)	(6,500)
Insurance Recovery	-	-	-
Sale of asset	24,600	-	24,600
Total other financing sources (uses)	<u>31,100</u>	<u>(6,500)</u>	<u>24,600</u>
Net change in fund balance	<u>48,401</u>	<u>(6,109)</u>	<u>42,292</u>
Fund balances-beginning	247,571	265,473	513,044
Fund balances-ending	<u>\$ 295,972</u>	<u>\$ 259,364</u>	<u>\$ 555,336</u>

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

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

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

Net changes in fund balances - total governmental funds	\$ 42,292
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	(26,221)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred inflows for tax revenues	140
Accrued interest on tax receivable	<u>(14)</u>
Total changes in net position of governmental activities	<u>\$ 16,197</u>

Town of Roxobel, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$28,000	\$28,000	\$27,040	(\$960)
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental	64,200	64,200	68,572	4,372
Restricted intergovernmental	8,120	8,120	7,465	(655)
Sales and services	11,000	11,000	11,049	49
Investment earnings	1,000	1,000	172	(828)
Miscellaneous	1,025	1,025	14,540	13,515
Total revenues	\$113,345	\$113,345	\$128,838	\$15,493
Expenditures:				
Current:				
General government	38,100	38,100	40,531	(2,431)
Public safety	7,500	7,500	10,085	(2,585)
Transportation	32,245	32,245	29,920	2,325
Environmental protection	18,500	18,500	24,136	(5,636)
Cultural and recreation	17,000	17,000	6,865	10,135
Total expenditures	113,345	113,345	111,537	1,808
Revenues over (under) expenditures	-	-	17,301	17,301
Other financing sources (uses):				
Transfers from other funds	-	-	6,500	(6,500)
Insurance recovery	-	-	-	-
Sale of asset	-	-	24,600	(24,600)
	-	-	31,100	(31,100)
Revenues and other sources over (under) expenditures and other uses	-	-	48,401	48,401
Contingency	-	-	-	-
Appropriated fund balance	-	-	-	-
Revenues, appropriated fund balance and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>48,401</u>	<u>48,401</u>
Fund balances, beginning of year			247,571	
Fund balances, end of year			<u>295,972</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF ROXOBEL, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Roxobel 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 Roxobel is a municipal corporation, which is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the Town. The Town does not have a component unit.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the 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 activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Town reports the following major governmental funds:

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. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

The Town has the following non-major governmental fund:

Capital Projects Fund. This fund is used to accumulate monies for large expenditures.

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 Fund Financial Statements. The government-wide fund financial statements are reported using the economic resources measurement focus. The government-wide 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. Nonexchange 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.

TOWN OF ROXOBEL, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (cont.)
JUNE 30, 2021

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.

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. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes 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 Roxobel because the tax is levied by Bertie County and then remitted to and distributed by the State. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues, which are unearned at year-end are recorded as unearned revenues.

As permitted by generally accepted accounting principles, the Town has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

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 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 \$1,000. All amendments must be approved by the governing board. During the year, no immaterial amendments to the original budget were made. 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, and Fund Equity

1. Deposits and Investments

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

TOWN OF ROXOBEL, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (cont.)
JUNE 30, 2021

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; 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, a SEC-registered mutual fund. Investments are stated at cost or amortized cost.

2. Cash and Cash Equivalents

All cash and investments include cash on hand, demand deposits, and certificates of deposits and are deemed to be cash and cash equivalents.

3. Restricted Cash

Powell Bill funds are classified as restricted cash because it can be expended only for purposes of maintaining, repairing, constructing or widening of local streets per G.S. 136-41-1 through 136-41-4.

Governmental Fund		
General Fund	Streets	\$ 8,244
Total governmental activities		<u>\$ 8,244</u>
Total Restricted Cash		\$ 8,244

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 on July 1, the beginning of the fiscal year. The taxes are due on September 1; 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 revenues are reported net of such discounts.

5. 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.

6. 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 useful life in excess of two years. Minimum capitalization costs are as follows: land, \$1,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$1,000; infrastructure, \$5,000; furniture and equipment, \$1,000; and vehicles, \$1,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2002, consist of the road network and water and sewer 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.

TOWN OF ROXOBEL, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (cont.)
JUNE 30, 2021

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	40
Improvements	20
Furniture and equipment	10
Computer equipment	10

7. Deferred inflows of resources

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 of Roxobel has two items that meets the criteria for this category – property taxes receivable and garbage fees receivable.

8. Compensated Absences

The town does not provide for the accumulation of vacation or sick pay.

9. Net Position/Fund Balances

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed 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 balances can be spent.

The governmental fund types classify fund balances as follows:

Restricted for Stabilization by State statute – portion of fund balance that is restricted by State statute [(G.S. 159-8(a)].

Reserved 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 unexpected Powell Bill funds.

Assigned – This classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Designated for subsequent year's expenditures for the 2021-2022 budget ordinance.

Designated for capital projects fund.

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

TOWN OF ROXOBEL, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (cont.)
JUNE 30, 2021

II. Stewardship, Compliance and Accountability

A. Material Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None..

2. Contractual Violations

None

B. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the expenditures made in the Town of Roxobel's General Fund exceeded the authorized appropriations made by the governing board for General Government by \$2,431, Public Safety by \$2,585 and Environmental Protection by \$5,636. These over-expenditures occurred because of an error in budgeting in General Government and an increase in salaries in Environmental Protection. Public Safety did not budget for electricity.

III. 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 the Town's name. 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 the Town's name. 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, 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.

At June 30, 2021, the Town's deposits had a carrying amount of \$548,466 and a bank balance of \$550,044. Of the bank balance, \$250,000 was covered by federal depository insurance and \$300,044 was covered by collateral held under the Pooling Method. The Town has \$10 petty cash.

2. Receivables - Allowances for Doubtful Accounts

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

Fund	6/30/2021
General Fund:	
Taxes Receivable	\$ 66
Accounts Receivable	96
Total	<u>\$ 162</u>

TOWN OF ROXOBEL, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (cont.)
JUNE 30, 2021

3. Capital Assets

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	\$ 34,950	\$ -	4,500	\$ 30,450
Capital assets being depreciated:				
Buildings	84,223	-	18,000	66,223
Equipment	30,023	34	-	30,057
Vehicles and motorized equipment	32,608	-	34	32,574
Total capital assets being depreciated	146,854	34	18,034	128,854
Less accumulated depreciation for:				
Buildings	22,711	2,447	2,625	22,533
Equipment	12,395	13,623	-	26,018
Vehicles and motorized equipment	20,941	3,227	12,950	11,218
Total accumulated depreciation	56,047	19,297	15,575	59,769
Total capital assets being depreciated, net	90,807			69,085
Governmental activity capital assets, net	\$ 125,757			\$ 99,535

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

General government	\$ 2,277
Public safety	413
Transportation	2,984
Environmental protection	673
Total depreciation expense	<u>\$ 6,347</u>

B. Liabilities

1. Pension Plan Obligations

The Town of Roxobel does not participate in any type of retirement system.

2. Deferred Outflows and Inflows of Resources

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

	Amount
Property Tax Receivable	\$ 3,215

TOWN OF ROXOBEL, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (cont.)
JUNE 30, 2021

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 commercial coverage for all risks of loss except errors and omissions. Claims have not exceeded coverage in any of the last three fiscal years.

The town does not carry any 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 bonded for \$50,000.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2021, consists of the following:

From the Capital Reserve Fund to the General Fund to pay expenses - \$6,500.

IV. Joint Ventures

The town in conjunctions with the Town of Kelford, participates in the operation of the Roxobel-Kelford Cemetery. Each town appoints 50% of the board members and has ongoing financial responsibility for the joint venture. The towns contributed \$2,500 for the fiscal year ended June 30, 2021. The participating governments do not have an equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2021.

V. Summary Disclosure 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 agreements. Such audits could result in the refund of grant moneys 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 moneys.

VI. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

VII. Significant Effects of Subsequent Events

There have been no events that occurred between June 30, 2021 and the date of this report that have significant effect on the Town.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**Town of Roxobel, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Taxes	\$ -	\$ 26,916	\$ -
Penalties and interest	-	124	-
Total	<u>28,000</u>	<u>27,040</u>	<u>(960)</u>
Other taxes and licenses:			
Privilege licenses	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted intergovernmental:			
Local option sales taxes	-	39,487	-
City hold harmless tax	-	17,004	-
Solid waste disposal tax	-	160	-
Telecommunications sales tax	-	1,593	-
Beer and wine tax	-	894	-
Utility franchise tax	-	8,803	-
Video franchise tax	-	631	-
Total	<u>64,200</u>	<u>68,572</u>	<u>4,372</u>
Restricted intergovernmental:			
Powell Bill allocation	<u>8,120</u>	<u>7,465</u>	<u>(655)</u>
Sales and services:			
Garbage collection fees	<u>11,000</u>	<u>11,049</u>	<u>49</u>
Investment earnings	<u>1,000</u>	<u>172</u>	<u>(828)</u>
Miscellaneous:			
Sales tax refund	-	956	-
Miscellaneous	-	13,584	-
License/Permit fee	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,025</u>	<u>14,540</u>	<u>13,515</u>
Total Revenues	<u>\$ 113,345</u>	<u>\$ 128,838</u>	<u>\$ 15,493</u>

**Town of Roxobel, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Governing Body:			
Salaries and employee benefits	\$ -	\$ 5,135	\$ -
Administration:			
Salaries and employee benefits	-	12,227	-
Office Supplies	-	1,707	-
Insurance	-	4,893	-
Dues	-	1,251	-
Lights	-	2,079	-
Telephone	-	2,432	-
Legal and audit	-	8,838	-
Donations	-	250	-
Other operating expenditures	-	1,113	-
Capital outlay	-	-	-
Total	-	34,790	-
Taxes:			
Collection fees	-	606	-
Total general government	38,100	40,531	(2,431)
Public safety:			
Fire:			
Contribution to fire, rescue	-	7,000	-
Lights	-	3,085	-
Other operating expenditures	-	-	-
Total	7,500	10,085	(2,585)
Transportation:			
Streets:			
Labor	-	7,375	-
Street Lights	-	14,109	-
Repairs & Maint.	-	5,656	-
Capital Outlay	-	-	-
Other operating expenditures	-	2,780	-
Total	32,245	29,920	2,325
Environmental protection:			
Collection fees	-	11,795	-
Salaries and employee benefits	-	9,841	-
Cemetery expenses	-	2,500	-
Other operating expenses	-	-	-
Total environmental protection	18,500	24,136	(5,636)
Culture and recreation:			
Donations	-	-	-
Other operating expenses	-	6,865	-
Total	17,000	6,865	10,135
Total expenditures	\$ 113,345	\$ 111,537	\$ 1,808

**Town of Roxobel, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues over (under) expenditures	<u>-</u>	<u>17,301</u>	<u>17,301</u>
Other financing sources (uses):			
Transfers from other funds			
Insurance Recovery	-	6,500	(6,500)
Sale of asset	-	24,600	24,600
	<u>-</u>	<u>31,100</u>	<u>18,100</u>
Revenues over (under) expenditures & others	<u>-</u>	<u>48,401</u>	<u>48,401</u>
Appropriated fund Balance	-	-	-
Revenues and appropriated fund balance over (under) expenditures & others	<u>\$ -</u>	<u>48,401</u>	<u>\$ 48,401</u>
Fund balances, beginning as previously reported			
Fund Balances, beginning		<u>247,571</u>	
Fund Balances, ending		<u>\$ 295,972</u>	

Town of Roxobel, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Fund
For the Year Ended June 30, 2021

	Capital Reserve Capital Projects Fund		
	Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ 391	\$ 391
Total revenues	-	391	391
Expenditures:			
Total expenditures	-	-	-
Revenues over (under) expenditures	-	391	391
Other financing sources (uses):			
Transfers to other funds-General Fund	-	6,500	6,500
Revenues and other sources over (under) expenditures and other uses	-	(6,109)	(6,109)
Contingency	-	-	-
Appropriated fund balance	-	-	-
Revenues, appropriated fund balance and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>(6,109)</u>	<u>\$ (6,109)</u>
Fund balances, beginning of year		265,018	
Fund balances, end of year		<u>\$ 258,909</u>	

Other Schedules

This section contains additional information required on property taxes

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

Town of Roxobel, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021		27,266	26,267	999
2019-2020	925		320	605
2018-2019	783		186	597
2017-2018	605		138	467
2016-2017	70		5	65
2015-2016	59		-	59
2014-2015	57		-	57
2013-2014	89		-	89
2012-2013	169		-	169
2011-2012	173		-	173
2010-2011	207		207	-
	<u>3,137</u>	<u>27,266</u>	<u>27,123</u>	<u>3,280</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>65</u>
Ad valorem taxes receivable - net				<u>3,215</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				27,040
Reconciling items:				
Interest collected				(124)
Taxes written off				<u>207</u>
Total collections and credits				<u>\$ 27,123</u>

**Town of Roxobel, North Carolina
Analysis of Current Tax Levy
City - Wide Levy
For the Fiscal Year Ended June 30, 2021**

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current	\$ 10,906,400	0.0025	\$ 27,266	\$ 23,227	\$ 4,039
Penalties	-		-	-	-
Total property valuation	<u>10,906,400</u>		<u>27,266</u>	<u>23,227</u>	<u>4,039</u>
Abatements	-				
Total property valuation	<u>\$ 10,906,400</u>				
Net levy			27,266	23,227	4,039
Uncollected taxes at June 30, 2021			<u>(999)</u>	<u>(999)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 26,267</u>	<u>\$ 22,228</u>	<u>\$ 4,039</u>
Current levy collection percentage			<u>96.34%</u>	<u>95.70%</u>	<u>100.00%</u>