

VILLAGE OF LAKE PARK

NORTH CAROLINA

Audited Financial Statements

For the Fiscal Year Ended June 30, 2021

Village Council

David Cleveland, Mayor
Pam Jack, Mayor Pro Tem
Bruce Barton
James Record
Jeremy Russell
Joe Scaldara

Administrative and Financial Staff

Cheryl Bennett, Finance Officer
Cheri Clark, Clerk and Tax Collector

*Village of Lake Park
Table of Contents
June 30, 2021*

<u>Exhibit</u>	FINANCIAL SECTION	<u>Page</u>
	Independent Auditor's Report	1-2
	Management's Discussion and Analysis	3-9
	Basic Financial Statements	
	Government-wide Financial Statements:	
1	Statement of Net Position	10
2	Statement of Activites	11
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds	12
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
4	Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	13
5	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	14
6	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund	15
	Notes to the Financial Statements	16-27

Village of Lake Park

Table of Contents
June 30, 2021

Schedule

Individual Fund Statements and Schedules:

1	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	28-29
---	---	-------

Other Schedules:

2	Schedule of Ad Valorem Taxes Receivable	30
3	Analysis of Current Tax Levy	31

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
and Members of the Village Council
Village of Lake Park, North Carolina

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund, of the Village of Lake Park, North Carolina as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village'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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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 presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund, of the Village of Lake Park, North Carolina, as of June 30, 2021, and the respective changes in financial position 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 on pages 3-9, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lake Park, North Carolina's basic financial statements. The individual fund statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Kendra Gangal, CPA

Charlotte, NC
October 30, 2021

Management's Discussion and Analysis

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

Financial Highlights

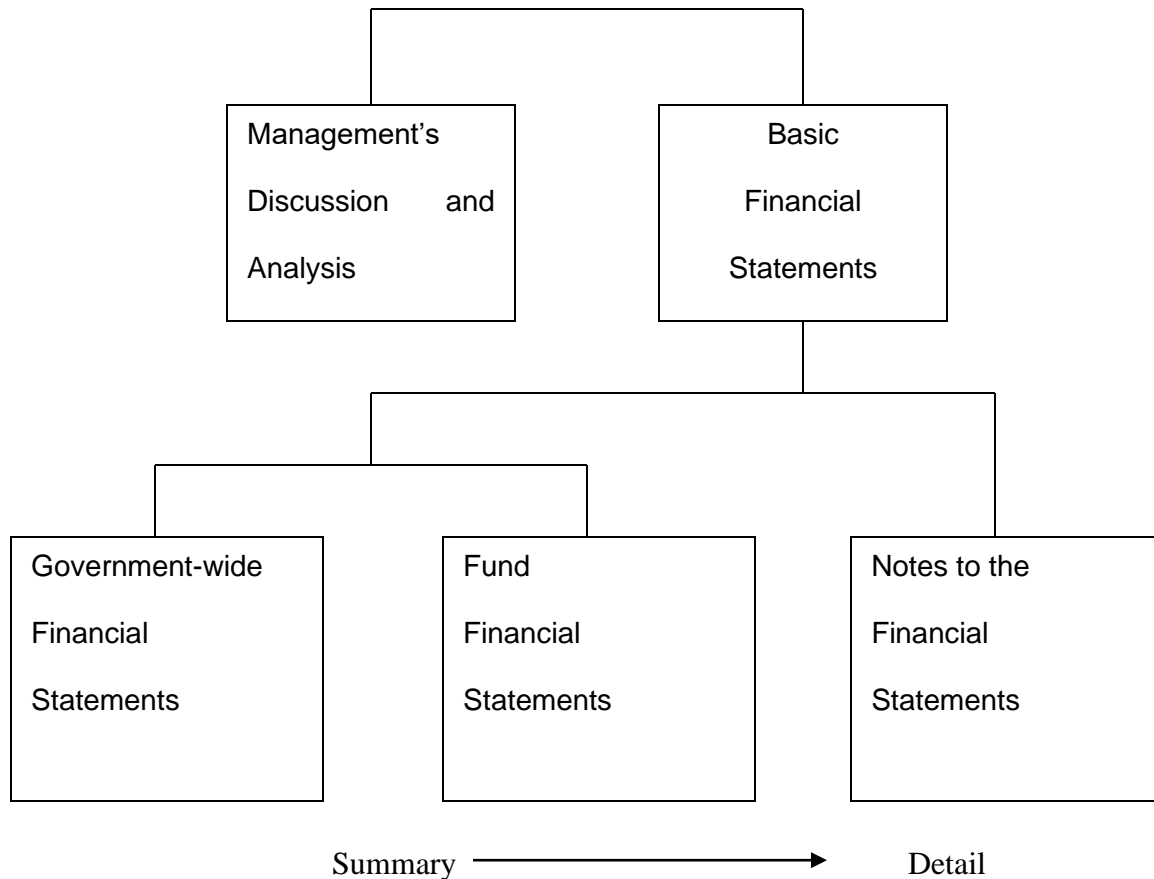
- The assets and deferred outflows of resources of the Village of Lake Park exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,781,147 (net position).
- The government's total net position increased by \$840, primarily due to conservative budgeting and expenditures.
- As of the close of the current fiscal year, the Village of Lake Park's governmental funds reported combined ending fund balances of \$1,495,608, an increase of \$31,761 in comparison with the prior year. Approximately 31 percent of this total amount or \$316,145 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$943,243 or 71% of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Village's financial status.

The next statements (Exhibits 3 through 6) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

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

Management Discussion and Analysis
Village of Lake Park
June 30, 2021
Government-wide Financial Statements

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

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

The governmental activities include all of the Village's basic services such as public safety, parks and recreation, and general administration. Property taxes and state shared revenues finance most of these activities.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the Village'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 Village of Lake Park, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Village's budget ordinance. The Village of Lake Park has only one fund – the governmental fund.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Village's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Village'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 Village of Lake Park 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 Village, the management of the Village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Village complied with the budget ordinance and whether or not the Village 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.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 16 - 27 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes supplementary information concerning the Village of Lake Park. This supplementary information can be found beginning on page 28 of this report.

Interdependence with Other Entities – The Village depends on financial resources flowing from, or associated with the State of North Carolina. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modifications to State laws and State appropriations.

Government-Wide Financial Analysis

The Village of Lake Park's Net Position
Figure 2

	2021	2020	2019	2018
Current and other assets	\$ 1,517,161	\$ 1,489,252	\$ 1,269,074	\$ 1,336,875
Capital assets	285,047	316,061	315,720	331,257
Total assets and deferred outflows of resources	1,802,208	1,805,313	1,584,794	1,668,132
Other liabilities	20,945	25,006	2,926	25,724
Deferred inflows of resources	116	-	-	-
Total liabilities and deferred inflows of resources	21,061	25,006	2,926	25,724
Net position				
Net investment in capital assets	285,047	316,061	315,720	331,257
Restricted	313,645	412,959	271,542	371,551
Unrestricted	1,182,455	1,051,287	994,606	939,600
Total net position	\$ 1,781,147	\$ 1,780,307	\$ 1,581,868	\$ 1,642,408

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Village of Lake Park exceeded liabilities by \$1781,147 as of June 30, 2021. The Village's net assets increased by \$840 for the fiscal year ended June 30, 2021. However, the largest portion (16%) reflects the Village's investment in capital assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Village of Lake Park's net position \$313,645 (17%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,182,455 is unrestricted.

Several particular aspects of the Village financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.97%.
- Conservative estimation of revenues and expenditures.

Village of Lake Park Changes in Net Position

Figure 3

	2021	2020	2019	2018
Revenues:				
Program revenues:				
Charges for services	\$ 75,555	\$ 51,808	\$ 75,237	\$ 82,158
Operating grants and contributions	95,011	101,231	100,170	99,711
General revenues:				
Property taxes	705,955	699,971	669,944	644,839
Other taxes	471,985	431,999	407,264	379,691
Other	4,914	33,801	21,027	10,627
Total revenues	1,353,420	1,318,810	1,273,642	1,217,026
Expenses:				
General government	215,858	200,547	200,109	213,881
Public safety	201,813	198,916	193,100	178,759
Environmental protection	260,451	224,585	294,868	220,003
Planning and zoning	32,467	14,958	17,123	19,622
Economic development	-	-	-	1,213
Transportation	311,507	107,038	272,438	117,165
Parks and recreation	330,484	374,327	356,544	347,983
Total expenses	1,352,580	1,120,371	1,334,182	1,098,626
Increase (decrease) in net position	840	198,439	(60,540)	118,400
Net position, July 1	1,780,307	1,581,868	1,642,408	1,524,008
Net position, June 30	\$ 1,781,147	\$ 1,780,307	\$ 1,581,868	\$ 1,642,408

Governmental activities. Governmental activities increased the Village's net position by \$840, thereby accounting for the net increase in the net position of the Village of Lake Park. Key elements of this increase are as follows:

- Conservative spending.

Financial Analysis of the Village of Lake Park's Funds

As noted earlier, the Village of Lake Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Village of Lake Park

June 30, 2021

Governmental Funds. The focus of the Village of Lake Park's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village of Lake Park's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Village of Lake Park. At the end of the current fiscal year, Village of Lake Park's fund balance available in the General Fund was \$943,243 while total fund balance was \$1,495,608. The Village of Lake Park Council has adopted a minimum fund balance policy whereby the Village should maintain an available fund balance of 50% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Village. The Village currently has an available fund balance of 71% of general fund expenditures, and total fund balance represent 113% of the same amount.

At June 30, 2021 the governmental funds of Village of Lake Park reported a combined fund balance of \$1,495,608, a 2% increase from last year.

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

Capital Asset and Debt Administration

Capital assets. The Village of Lake Park's investment in capital assets for its governmental activities as of June 30, 2021, totals \$285,047 (net of accumulated depreciation). These assets include buildings, roads and sidewalks, land, machinery and equipment, and park facilities.

There were no major capital asset additions, demolitions, or disposals during the year.

Village of Lake Park's Capital Assets

Figure 4

	2021	2020	2019	2018
Land	\$ 75,850	\$ 75,850	\$ 75,850	\$ 75,850
Furniture and equipment	4,967	4,967	4,812	1,129
Building and systems	267,382	267,382	267,382	267,382
Infrastructure	61,201	61,201	53,451	49,151
Parks and recreation	451,156	451,156	427,337	419,542
Accumulated depreciation	(575,509)	(544,495)	(513,112)	(481,797)
Total	<u>\$ 285,047</u>	<u>\$ 316,061</u>	<u>\$ 315,720</u>	<u>\$ 331,257</u>

Additional information on the Village capital assets can be found in note 3 of the Basic Financial Statements.

Village of Lake Park's Long-term Debt

As of June 30, 2021, the Village of Lake Park had no long-term debt.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Village of Lake Park is \$22,552,192.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Village:

- The property tax collection rate stays very high.
- The Village of Lake Park's certified estimate of population as of July 1, 2019 is 3,755 per the North Carolina Office of State Budget and Management.
- Existing-home sales and prices are strong.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: The property tax rate was reduced to 19 cents due to real and personal property revaluation. Budgeted expenditures in the General Fund are \$ 1,356,654.

Requests for Information

This report is designed to provide an overview of the Village of Lake Park' finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Finance Officer
Village of Lake Park
PO Box 219
Indian Trail, NC 28079

Website:
www.lakeparknc.gov

Basic Financial Statements

VILLAGE OF LAKE PARK, NORTH CAROLINA

Exhibit 1

Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Other Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,270,700	\$ -	\$ 1,270,700
Restricted cash	135,023	-	135,023
Taxes receivables (net)	432	-	432
Prepaid items	2,500	-	2,500
Accrued interest receivable on taxes	60	-	60
Due from other governments	108,446	-	108,446
Total current assets	1,517,161	-	1,517,161
Capital assets:			
Land and improvements	75,850	-	75,850
Other capital assets, net of depreciation	209,197	-	209,197
Total capital assets	285,047	-	285,047
Total assets	\$ 1,802,208	\$ -	\$ 1,802,208
LIABILITIES			
Current liabilities:			
Accounts payable	20,945	-	20,945
Total current liabilities	20,945	-	20,945
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	116	-	116
NET POSITION			
Net investment in capital assets	285,047	-	285,047
Restricted for:			
Stabilization by State Statute	108,446	-	108,446
Stormwater	70,227	-	70,227
Streets	134,972	-	134,972
Unrestricted	1,182,455	-	1,182,455
Total net position	\$ 1,781,147	\$ -	\$ 1,781,147

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

VILLAGE OF LAKE PARK, NORTH CAROLINA

Exhibit 2

*Statement of Activities
For the Fiscal Year Ended June 30, 2021*

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Other Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 215,858	\$ -	\$ 2,827	\$ -	\$ (213,031)	\$ -	\$ (213,031)
Public safety	201,813	-	-	-	(201,813)	-	(201,813)
Environmental protection	260,451	-	-	-	(260,451)	-	(260,451)
Planning and zoning	32,467	-	-	-	(32,467)	-	(32,467)
Transportation	311,507	-	92,184	-	(219,323)	-	(219,323)
Parks and recreation	330,484	75,555	-	-	(254,929)	-	(254,929)
Total governmental activities (See Note 1)	1,352,580	75,555	95,011	-	(1,182,014)	-	(1,182,014)
Total primary government	\$ 1,352,580	\$ 75,555	\$ 95,011	\$ -	\$ (1,182,014)	\$ -	\$ (1,182,014)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					705,955	-	705,955
Other taxes					65,551	-	65,551
Shared state revenues					406,434	-	406,434
Unrestricted investment earnings					2,697	-	2,697
Miscellaneous					2,217	-	2,217
Total general revenues					1,182,854	-	1,182,854
Change in net position					840	-	840
Net position, beginning,					1,780,307	-	1,780,307
Net position, ending					\$ 1,781,147	\$ -	\$ 1,781,147

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

VILLAGE OF LAKE PARK, NORTH CAROLINA

Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds General	Non-Major Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,270,700	\$ -	\$ 1,270,700
Restricted cash	135,023	-	135,023
Taxes receivable, net	432	-	432
Prepaid expenses	2,500	-	2,500
Due from other governments	108,446	-	108,446
Total assets	<u>\$ 1,517,101</u>	<u>\$ -</u>	<u>\$ 1,517,101</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 20,945	\$ -	\$ 20,945
Total liabilities	<u>20,945</u>	<u>-</u>	<u>20,945</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	432	-	432
Prepaid taxes	116	-	116
Total Deferred inflows of resources	<u>548</u>	<u>-</u>	<u>548</u>
FUND BALANCES			
Non Spendable	2,500	-	2,500
Restricted			
Stabilization by State Statute	108,446	-	108,446
Stormwater	70,227	-	70,227
Streets - Powell Bill	134,972	-	134,972
Committed			
Capital replacement	180,000	-	180,000
Tennis court	30,000	-	30,000
Playground	15,000	-	15,000
Assigned			
Subsequent year's expenditures	11,220	-	11,220
Unassigned	943,243	-	943,243
Total fund balance	<u>1,495,608</u>	<u>-</u>	<u>1,495,608</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 1,517,101</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 285,047
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.	60
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	432
Net position of governmental activities	<u>\$ 1,781,147</u>

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

VILLAGE OF LAKE PARK, NORTH CAROLINA

Exhibit 4

*Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2021*

	Major Funds	Non-Major	Total Governmental
	General	Funds	Funds
REVENUES			
Ad valorem taxes	\$ 705,862	\$ -	\$ 705,862
Other taxes and licenses	62,765	-	62,765
Unrestricted intergovernmental	406,434	-	406,434
Permits and fees	97,797	-	97,797
Restricted intergovernmental	75,555	-	75,555
Investment earnings	2,697	-	2,697
Miscellaneous	2,217	-	2,217
Total revenues	1,353,327	-	1,353,327
EXPENDITURES			
Current:			
General government	209,152	-	209,152
Public safety	201,076	-	201,076
Environmental protection	260,451	-	260,451
Planning and zoning	32,467	-	32,467
Transportation	309,455	-	309,455
Parks and recreation	308,965	-	308,965
Contingency	-	-	-
Total expenditures	1,321,566	-	1,321,566
Excess (deficiency) of revenues over expenditures	31,761	-	31,761
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	-	-	-
Appropriated fund balance	-	-	-
Net change in fund balance	31,761	-	31,761
FUND BALANCE			
Fund balances, beginning	1,463,847	-	1,463,847
Fund balances, ending	\$ 1,495,608	\$ -	\$ 1,495,608

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

VILLAGE OF LAKE PARK, NORTH CAROLINA**Exhibit 5**

***Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Fiscal 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	\$ 31,761
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	(31,014)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Interest receivable on taxes receivable	19
Change in unavailable revenue for tax revenues	74
Total changes in net position of governmental activities	<u><u>\$ 840</u></u>

VILLAGE OF LAKE PARK, NORTH CAROLINA

Exhibit 6

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

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 691,641	\$ 691,641	\$ 705,862	\$ 14,221
Other taxes and licenses	62,182	62,182	62,765	583
Unrestricted intergovernmental	341,506	341,506	406,434	64,928
Restricted intergovernmental	93,781	96,608	97,797	1,189
Parks and recreation	34,000	34,000	75,555	41,555
Investment earnings	4,000	4,000	2,697	(1,303)
Miscellaneous	4,300	4,300	2,217	(2,083)
Total revenues	1,231,410	1,234,237	1,353,327	119,090
Expenditures:				
Current:				
General government	208,681	216,872	209,152	7,720
Public safety	202,282	202,382	201,076	1,306
Environmental protection	261,922	281,922	260,451	21,471
Planning and zoning	28,150	33,663	32,467	1,196
Transportation	215,570	365,570	309,455	56,115
Parks and recreation	352,516	351,456	308,965	42,491
Contingency	10,000	83	-	83
Total expenditures	1,279,121	1,451,948	1,321,566	130,382
Revenues over (under) expenditures	(47,711)	(217,711)	31,761	249,472
Other financing sources (uses):				
Appropriated fund balance	47,711	47,711	-	47,711
Appropriated fund balance Stormwater	-	20,000	-	20,000
Appropriated fund balance Powell Bill	-	150,000	-	150,000
Sales of capital assets	-	-	-	-
Total other financing sources (uses)	47,711	217,711	-	217,711
Net change in fund balance	\$ -	\$ -	31,761	\$ 31,761
Fund balance				
Fund balances, beginning			1,463,847	
Fund balances, ending			\$ 1,495,608	

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

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Lake Park (the Village) 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 Village of Lake Park, North Carolina, in Union County, was incorporated under The General Statutes of The State of North Carolina in July 1994. It is governed by an elected mayor and Village council. As required by generally accepted accounting principles, these financial statements present the Village, which has no component units.

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 activities of the overall government. The Village only has governmental type activities. 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 revenue for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include (a) fees and charges paid by the recipients 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 Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Village reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Village. The General Fund accounts for all financial resources except those required to be accounted for in another fund.

The primary revenue sources are ad valorem taxes and State-shared revenues. The primary expenditures are for general government services, of which the majority are for public safety, and parks and recreation.

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended 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 Village are maintained during the year using the modified accrual basis of accounting.

Government-wide Financial Statements: The government-wide financial statements are reported using the economic resources measurement focus. The government-wide 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 Village gives (or receives) value without directly receiving (or giving) equal value in exchange, including 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. 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 they are 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 to the extent they matured. General capital asset acquisitions are reported as expenditures in government funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Village are recognized as revenue. Sales taxes are considered a shared revenue for the Village of Lake Park because the tax is levied by the counties and then remitted to and distributed by the State. Most intergovernmental revenues 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.

D. Budgetary Data

The Village's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the general fund. 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. 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 several immaterial 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.

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Village 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Village's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT – Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, The Term portfolio has a duration of 0.15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Village maintains a general checking account, an account for credit card receipts, and a money market account for all general fund revenues and a separate checking account for Powell Bill funds. The Village considers all cash and investments to be demand deposits and cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

Governmental Activities

General Fund

Streets	<u>\$ 135,023</u>
---------	-------------------

Total governmental activities	<u>\$ 135,023</u>
-------------------------------	-------------------

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020.

5. Allowances for Doubtful Accounts

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

6. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government – wide and fund financial statements and expensed as the items are used.

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 useful life in excess of two years. Minimum capitalization costs are as follows: furniture and equipment, \$1,000.00. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical 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>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	40
Improvements	25
Vehicles	6
Furniture and equipment	5
Computer equipment	3

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 for 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 Village does not have any items meeting this criterion at June 30, 2021. 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 Village has one item meeting the criterion for this category – property taxes receivable.

9. Compensated Absences

The Village provides six weeks of paid vacation for one full time employee. The Village does not provide any sick pay for employees.

10. Net Position/Fund Balances

Net Position

Net position in government-wide financial statements are classified as net investment in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, 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:

Non Spendable 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.

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Restricted Fund Balance (continued) – 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 Stormwater Projects – portion of fund balance restricted by revenue source for future stormwater projects.

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

Assigned fund balance – portion of fund balance that Village of Lake Park intends to use for specific purposes.

Assigned for Future Year Appropriations – portion of fund balance that has been assigned by the Village Council for expenditures related to future year's appropriations.

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

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 Village of Lake Park has 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-village funds, village 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 Village.

The Village of Lake Park has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Village in such a manner that available fund balance is at least 50% of the budgeted expenditures. Any portion of the general fund balance in excess of 50% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Village in a future budget.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

None

1. Noncompliance with North Carolina General Statutes

None

2. Contractual Violations

None

B. Deficit in Fund Balance or Net Assets of Individual Funds

None

C. Excess of Expenditures Over Appropriations

None

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 3- **DETAIL NOTES ON ALL FUNDS**

A. **ASSETS**

1. Deposits

All deposits of the Village 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 Village's agent in the unit'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 Village, these deposits are considered to be held by the Village's agent in their 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 Village or escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Village under the Pooling method, the potential exists for under-collateralization, and the 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 collateralize public deposits under the Pooling Method. The Village 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.

At June 30, 2021, the Village's deposits had a carrying amount of \$953,959 and a bank balance of \$968,444. Of the bank balance, \$385,023 was covered by federal depository insurance. The remaining \$583,421 was covered by collateral held under the pooling method. The Village's petty cash fund totaled \$250.

2. Investments

At June 30, 2021, the Village of Lake Park had \$451,514 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Village has no policy regarding credit risk.

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 3- **DETAIL NOTES ON ALL FUNDS – Continued**

3. Receivables – Allowance for Doubtful Accounts

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:

Taxes receivable	\$	762
Allowance for doubtful accts		(330)
Taxes receivable - net	<u>\$</u>	<u>432</u>

4. 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
Capital assets not being depreciated:				
Land	\$ 75,850	\$ -	\$ -	\$ 75,850
Total not being depreciated	<u>75,850</u>	<u>-</u>	<u>-</u>	<u>75,850</u>
Capital assets being depreciated:				
Furniture and equipment	4,967	-	-	4,967
Building and systems	267,382	-	-	267,382
Infrastructure	61,201	-	-	61,201
Parks and recreation	451,156	-	-	451,156
Total being depreciated	<u>784,706</u>	<u>-</u>	<u>-</u>	<u>784,706</u>
Less accumulated depreciation for:				
Furniture and equipment	1,233	994	-	2,227
Building and systems	128,555	6,449	-	135,004
Infrastructure	21,388	2,052	-	23,440
Parks and recreation	393,319	21,519	-	414,838
Total accumulated depreciation	<u>544,495</u>	<u>31,014</u>	<u>-</u>	<u>575,509</u>
Total capital assets being depreciated, net	<u>240,211</u>			<u>209,197</u>
Governmental activity capital assets, net	<u>\$ 316,061</u>			<u>\$ 285,047</u>

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

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

General government	\$ 6,706
Public Safety	737
Streets	2,052
Parks and recreation	21,519
Total depreciation expense	<u>\$ 31,014</u>

B. LIABILITIES

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

The employees of the Village do not participate in the state wide Local Government Employees' Retirement System. Therefore, the Village did not incur expenditures for retirement contributions.

2. Deferred Outflows and Inflows of Resources

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 116	\$ 116
Taxes receivable (General Fund), less penalties	-	432
	<u>\$ 116</u>	<u>\$ 548</u>

3. Risk Management:

The Village is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Village obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage for equipment and furnishings, and workers' compensation coverage up to statutory limits. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values. The Village participates in the National Flood Insurance Plan. In accordance with state statute the Village maintains surety bonds on the Finance Officer and Tax Collector of \$50,000 and \$10,000, respectively.

VILLAGE OF LAKE PARK, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

4. Fund Balance

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

<i>Total Fund Balance - General Fund</i>	\$ 1,495,608
Less:	
Non-spendable	2,500
Stabilization by State Statute	108,446
Stormwater	70,227
Streets - Powell Bill	134,972
Committed for capital replacement	180,000
Committed for tennis court	30,000
Committed for playground	15,000
Assigned to subsequent year's expenditures	11,220
Working capital/fund balance policy	725,974
Unassigned	217,269

The Village of Lake Park has adopted a minimum fund balance policy for the General fund which instructs management to conduct the business of the Village in such a manner that available fund balance is at least equal to or greater than 50% of budgeted expenditures.

NOTE 4- **RELATED PARTY TRANSACTIONS**

There were no related party transactions.

NOTE 5- **SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

The Village has received funds from the State for roads (Powell Bill). Periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the State statutes. Such audits could result in the refund of funds to the grantor agency. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of Powell Bill funds.

NOTE 6- **DATE OF MANAGER'S REVIEW**

In preparing the financial statements, the Village of Lake Park has evaluated events and transactions for potential recognition or disclosure through October 30, 2021, the date that the financial statements were available to be issued.

SUPPLEMENTAL STATEMENTS

VILLAGE OF LAKE PARK, NORTH CAROLINA

Statement 1

Page 1 of 2

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 690,641	\$ 704,572	
Penalties and interest	1,000	1,290	
Total	691,641	705,862	\$ 14,221
Other taxes and licenses:			
Stormwater fee	62,182	62,765	
Total	62,182	62,765	583
Unrestricted intergovernmental:			
Alcoholic Beverage tax	15,900	15,648	
Local option sales taxes	200,000	270,788	
Telecommunications sales tax	1,280	1,214	
Utility sales tax	93,435	87,054	
Piped natural gas	11,921	13,780	
Sales tax on video programming	18,970	17,950	
Total	341,506	406,434	64,928
Restricted intergovernmental:			
Powell Bill allocation	90,270	91,195	
Interest on Powell Bill funds	1,000	989	
CARES grant	2,827	2,827	
Solid waste disposal tax	2,511	2,786	
Total	96,608	97,797	1,189
Parks and recreation			
Recreation fees	34,000	75,555	
Total	34,000	75,555	41,555
Investment earnings	4,000	2,697	(1,303)
Other:			
Miscellaneous	4,300	2,217	
Total	4,300	2,217	(2,083)
Total revenues	1,234,237	1,353,327	119,090
Expenditures:			
General government:			
Salaries and employee benefits	137,390	137,211	
Professional services	22,720	21,856	
Other operating expenditures	42,120	35,605	
CARES Grant	2,827	2,827	
Capital outlay	11,815	11,653	
Total	216,872	209,152	7,720

VILLAGE OF LAKE PARK, NORTH CAROLINA

*Statement 1
Page 2 of 2*

General Fund

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
Public safety:			
Police protection	202,382	201,076	
Capital outlay	-	0	
Total	<u>202,382</u>	<u>201,076</u>	<u>1,306</u>
Environmental protection			
Waste collection	199,740	198,680	
Stormwater expense	82,182	61,771	
Capital outlay	-	-	
Total	<u>281,922</u>	<u>260,451</u>	<u>21,471</u>
Planning and zoning	<u>33,663</u>	<u>32,467</u>	<u>1,196</u>
Transportation			
Street lights/signs	124,300	102,791	
Street repair	241,270	206,664	
Other operating expenditures	-	-	
Total	<u>365,570</u>	<u>309,455</u>	<u>56,115</u>
Parks and recreation			
Building and grounds	240,916	221,993	
Other operating expenditures	92,600	84,585	
Capital outlay	17,940	2,387	
Total	<u>351,456</u>	<u>308,965</u>	<u>42,491</u>
Contingency	<u>83</u>	<u>-</u>	<u>83</u>
Total expenditures	<u>1,451,948</u>	<u>1,321,566</u>	<u>130,382</u>
Revenues over (under) expenditures	<u>(217,711)</u>	<u>31,761</u>	<u>249,472</u>
Other financing sources (uses):			
Transfers to other funds	-	-	-
Appropriated fund balance	47,711	-	47,711
Appropriated fund balance Stormwater	20,000	-	20,000
Appropriated fund balance Powell Bill	150,000	-	150,000
Total	<u>217,711</u>	<u>-</u>	<u>217,711</u>
Net change in fund balance	<u>\$ -</u>	<u>31,761</u>	<u>\$ 31,761</u>
Fund balance, beginning		<u>1,463,847</u>	
Fund balance , ending		<u>\$ 1,495,608</u>	

OTHER SCHEDULES

This section contains additional information required on property taxes.
--

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

VILLAGE OF LAKE PARK, NORTH CAROLINA

Schedule 2

*Schedule of Ad Valorem Taxes Receivable
June 30, 2021*

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections And Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 705,046	\$ 704,836	\$ 210
2019-2020	141	12	31	122
2018-2019	289		-	289
2017-2018	-		-	-
2016-2017	-		-	-
2015-2016	-		-	-
2014-2015	-		-	-
2013-2014	141		-	141
2012-2013	-		-	-
2011-2012	-		-	-
2010-2011	-		-	-
	<u>\$ 571</u>	<u>\$ 705,058</u>	<u>\$ 704,867</u>	<u>\$ 762</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>(330)</u>
Ad valorem taxes receivable - net				<u>\$ 432</u>
<u>Reconcilement to revenues:</u>				
Ad valorem taxes - General Fund				\$ 705,862
Reconciling items:				
Penalties and interest				(1,290)
Taxes written off				295
Subtotal				<u>(995)</u>
Total collections and credits				<u>\$ 704,867</u>

VILLAGE OF LAKE PARK, NORTH CAROLINA

Schedule 3

*Analysis of Current Tax 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 rate	\$ 281,852,400	0.250	\$ 704,631	\$ 609,915	\$ 94,716
Discoveries - current and prior years	166,000	0.250	415	415	-
Releases	<u>\$ (116,000)</u>	0.250	<u>\$ (290)</u>	<u>627</u>	<u>(917)</u>
Total property valuation	<u>\$ 281,902,400</u>				
Net levy			704,756	610,957	93,799
Uncollected taxes at June 30, 2021			<u>(210)</u>	<u>(210)</u>	-
Current year's taxes collected			<u>\$ 704,546</u>	<u>\$ 610,747</u>	<u>\$ 93,799</u>
Current levy collection percentage			<u>99.97%</u>	<u>99.97%</u>	<u>100.00%</u>