Town of Stokesdale, North Carolina

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FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

TOWN COUNCIL

John Flynt, Mayor

Theron Hooks, Jr. Mayor Pro-Tem

Derek Foy

Jimmy Landreth

Jim Rigsbee

Dale Martin, Town Clerk

Kimberly Thacker, Budget/Finance Officer

Town of Stokesdale, North Carolina Table of Contents June 30, 2021

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<u>Ex</u> l	Exhibit		
	COUNCIL MEMBERS AND CITY OFFICIALS		
	FINANCIAL SECTION:		
	Independent Auditor's Report	1	
	Management's Discussion and Analysis	4	
	Basic Financial Statements:		
	Government-wide Financial Statements:		
1	Statement of Net Position	13	
2	Statement of Activities	14	
	Fund Financial Statements:		
3	Balance Sheet - Governmental Funds	15	
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16	
4	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17	
5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual General Fund	18	
6	Statement of Fund Net Position - Proprietary Fund	19	
7	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	20	
8	Statement of Cash Flows - Proprietary Funds	21	
	Notes to the Financial Statements	23	

Town of Stokesdale, North Carolina Table of Contents June 30, 2021

<u>Exhil</u>	Page	
	Individual Fund Statements and Schedules:	
A-1	Comparative Fund Statements Net Position - General Fund	32
A-2	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	33
	Enterprise Funds:	
	Water Fund (Includes Utility Capital Reserve Fund):	
B-1	Comparative Fund Net Position	36
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	37
B-3	Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual – Water Fund	38

Rouse, Rouse, Rouse & Gardner, L.L.P.

Certified Public Accountants



R. Rex Rouse, Jr., CPA Judy G. Rouse, CPA Victor B. Rouse, CPA/PFS Trevor C. Gardner, CPA

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council Stokesdale, North Carolina

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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

 $x^{\theta} \frac{x_{1}}{2} = \frac{x_{1}}{2x_{1}} \frac{x_{2}}{2}$

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Stokesdale, 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, on pages 4 through 12 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 Stokesdale, North Carolina. The combining and individual fund statements, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Rouse, Rouse, Rouse & Gardner, LLP

Rouse, Rouse, Rouse & Gardner, LLI Eden, North Carolina November 12, 2021

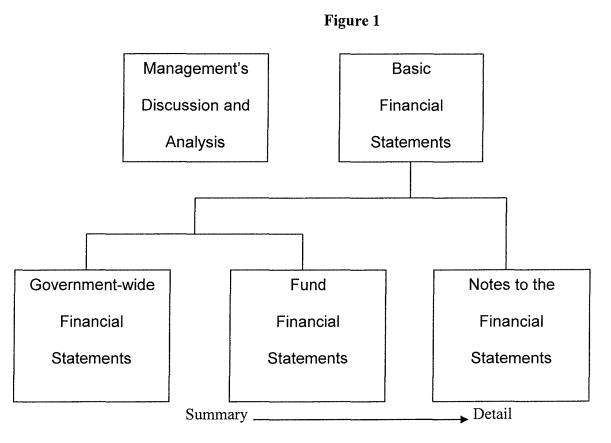
As management of the Town of Stokesdale, we offer readers of the Town of Stokesdale's financial statements this narrative overview and analysis of the financial activities of the Town of Stokesdale for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in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

Financial Highlights

- The assets of the Town of Stokesdale exceeded its liabilities at the close of the fiscal year by \$9,526,209 (*net position*).
- The government's total net position increased by \$10,977, primarily due to increase in the business type activities net position.
- As of the close of the current fiscal year, the Town of Stokesdale's governmental funds reported combined ending fund balances of \$3,112,502 with a net change of \$87,052 in fund balance. Approximately 3.06 percent of this total amount or \$95,145 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,993,857 or 805% 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 Town of Stokesdale's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Stokesdale.



Required Components of Annual Financial Report

Basic Financial Statements

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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 Town's financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements and 3) the proprietary fund statements.

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. The utility franchise tax distributions and investment earnings funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water service offered by the Town of Stokesdale to citizens and businesses that were covered in the first phase of the Town's water system.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Stokesdale, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Stokesdale can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* 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 Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Stokesdale adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and charges. To account for the difference between the budgetary basis of accounting and charges. To account for the difference between the budgetary basis of accounting and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds –The Town of Stokesdale has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Stokesdale uses an enterprise fund to account for its water-related activity. This fund is the same as the function shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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 begin on page 23 of this report.

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

Government-Wide Financial Analysis

Town of Stokesdale Statement of Net Position June 30, 2021

Figure 2

		nmental vities		ss-Type vities	To	otal
	2021	2020	2021	2020	2021	2020
ASSETS				<u></u>		
Current Assets	3,144,913	3,038,869	1,659,852	1,542,285	4,804,765	4,581,154
Non-Current Assets	1,975,516	2,059,295	2,821,826	2,918,156	4,797,342	4,977,451
Total Assets	5,120,429	5,098,164	4,481,678	4,460,441	9,602,107	9,558,605
LIABILITIES						
Current Liabilities						
Accounts Payable and Accrued Expenses	28,098	9,106	5,559	179	33,657	9,285
Payable from restricted Assets	4,313	4,313			4,313	4,313
Customer Deposits			37,928	29,775	37,928	29,775
Total Liabilities	32,411	13,419	43,487	29,954	75,898	43,373
NET POSITION						
Net Investment in Capital Assets	1,975,516	2,059,295	2,821,826	2,918,156	4,797,342	4,977,451
Restricted	95,145	101,329	100,891	-	196,036	101,329
Unrestricted	3,017,357	2,924,121	1,515,474	1,512,331	4,532,831	4,436,452
Total Net Position	5,088,018	5,084,745	4,438,191	4,430,487	9,526,209	9,515,232

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Stokesdale exceeded liabilities by \$9,526,209 as of June 30, 2021. The Town's net position increased by \$10,977 for the fiscal year ended June 30, 2021. However, the largest portion (approximately 50%) reflects the Town's net investment in capital assets (e.g., land, and water system). The Town of Stokesdale uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Town of Stokesdale has no outstanding debt at this time since all capital assets were acquired without any debt being issued. An additional portion of the Town of Stokesdale's net position, \$196,036 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,532,831 is unrestricted.

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

- Continued diligence in keeping expenditures to a minimum
- Continued diligence by staff in administration
- Being fiscally conservative over the life of the Town

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Town of Stokesdale's Changes in Net Position Figure 3

	Governme	ntal Activities	Business-T	ype Activities	Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	50,947	20,993	577,565	457,783	628,512	478,776
Capital Grants & Contributions	45,178				45,178	
General Revenues:						
Franchise Taxes	298,752	300,172			298,752	300,172
Grants & Contributions Not Restricted						
to Specific Programs	45,812	44,276			45,812	44,276
Unrestricted Investment Earnings	18,138	53,937	3,373	16,191	21,511	70,128
Miscellaneous	241	8,852			241	8,852
Total Revenue	459,068	428,230	580,938	473,974	1,040,006	902,204
Expenditures:						
General Government	276,873	321,225			276,873	321,225
Public Safety	17,700	21,162			17,700	21,162
Transportation						
Economic and Physical Development	29,534	51,917			29,534	51,917
Cultural and Recreational	131,688	197,598			131,688	197,598
Water			573,234	541,914	573,234	541,914
Total Expenditures	455,795	591,902	573,234	541,914	1,029,029	1,133,816
Change in Net Position	3,273	(163,672)	7,704	(67,940)	10,977	(231,612)
Net Position – Beginning of Year	5,084,745	5,248,417	4,430,487	4,498,427	9,515,232	9,746,844
Net Position – End of Year	5,088,018	5,084,745	4,438,191	4,430,487	9,526,209	9,515,232

Governmental activities: Governmental activities reflect the Town's increase in net position of \$3,273. The increase in net position was the result of decreases in general government expenditures and park maintenance.

Business-type activities: Business-type activities increased the Town of Stokesdale's net position by \$7,704.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Stokesdale. At the end of the current fiscal year, Town of Stokesdale's fund balance available in the General Fund was \$2,993,857. while total fund balance reached \$3,112,502. The Town currently has an available fund balance of 805% of General Fund expenditures.

At June 30, 2021, the governmental funds of Town of Stokesdale reported a combined fund balance of \$3,112,502, resulting in a 3% increase from last fiscal year.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the budget on one occasion. 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.

Two budget amendments were made during the 2020-2021 fiscal year. One amendment was made in the general fund to decrease appropriations from \$439,800 to 428,903. The other was in the water fund to increase appropriations from \$546,778 to 562,749.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$1,515,474. The total increase in net position for the funds was \$7704.

Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town of Stokesdale's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$4,797,342 (net of accumulated depreciation). These assets include a Town Hall, Town Park and the Town's water system.

Town of Stokesdale's Capital Assets (net of depreciation)

	Governmental Activities			Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020	
Land	375,550	375,000	8,500	8,500	384,050	383,500	
Buildings and System	1,182,317	1,220,991			1,182,317	1,220,991	
Improvements Other than Buildings	415,567	459,025			415,567	459,025	
Equipment and Furniture	2,082	4,279			2,082	4,279	
Distribution System			2,812,426	2,906,956	2,812,426	2,906,956	
Computer Software & Equipment			900	2,700	900	2,700	
Total	1,975,516	2,059,295	2,821,826	2,918,156	4,797,342	4,977,451	

Figure 4

Economic Factors and Next Year's Budgets and Rates

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

- Stokesdale is a small, formerly farm/agricultural community-oriented town in northwestern Guilford County. Guilford County's unemployment rate is 5.70%. As of the 2021 census, the population of Guilford County was 546,308. Stokesdale's most recent census (2016) reported by the Office of State Budget Management was 5735. According to City-Data.com Stokesdale's per capita income in 2000 was \$ 22,548. Annually, in 2016 that per capita income increased to \$45,936.
- There are currently six major subdivisions under development in Stokesdale. There has been a significant increase in water customers and infrastructure extensions over the last fiscal year.
- Stokesdale offers a variety of office and warehouse space available for business entrepreneurs who wish to locate here.
- The preliminary study by the Timmons's Group, for the NW Guilford Proposed Regional Water System Feasibility Study has been completed and presented to the three towns. The study is shared among Stokesdale, Oak Ridge, and Summerfield. The Timmons's Group is awaiting further request from the towns for more geological details.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Estimated revenues for the 2021 - 2022 fiscal year totals \$473,772, with the Franchise Tax continuing to provide 66.49 % of those funds. The Beer & Wine Excise Tax Revenues are estimated to be \$21,000 of the income of the revenue stream. Planning Fees are estimated to provide 7.39% of the income stream. An Ad Valorem tax will not be levied in the 2021-22 fiscal year. Expenses are estimated to be \$613,683.80 with allocating cost to the Water Enterprise account at a percent of 49.9% budgeted \$139,911.52 resulting in a balanced budget for the fiscal year ended June 30, 2022.

Business-Type Activities: The Water Enterprise Fund reflects estimated income of \$1,714,863, including House Bill 436 in the amount of \$1,154,082. Water rates were not increased for the 2021-2022 year, as Winston-Salem did not increase their rate to the Town. Expenses are estimated at \$1,714,863.

Requests for Information

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

Finance Officer P. O. Box 465 Stokesdale, NC 27357 Phone : 336-643-4011 Fax : 336-643-4016 E-mail : <u>kthacker@stokesdale.org</u> Town website: www.stokesdale.org

Town of Stokesdale Statement of Net Position June 30, 2021

Exhibit 1

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ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and cash equivalents	3,045,455	1,537,148	4,582,603
Accounts Receivables, net:		25,778	25,778
Due from Other Governments	79,970		79,970
Unbilled Water Receivable		24,165	24,165
Restricted Cash and Cash Equivalents	4,313	87,936	92,249
Internal Balances	15,175	(15,175)	
Total current assets	3,144,913	1,659,852	4,804,765
Non - Current Assets: Capital assets:			
Land and non-depreciable capital assets	375,550	8,500	384,050
Other capital assets, net of depreciation	1,599,966	2,813,326	4,413,292
Total Capital Assets	1,975,516	2,821,826	4,797,342
Total assets	5,120,429	4,481,678	9,602,107
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	28,098	5,559	33,657
Payable from restricted Assets	4,313	-	4,313
Customer Deposits		37,928	37,928
Total liabilities	32,411	43,487	75,898
NET POSITION			
Net Investment in capital assets Restricted for:	1,975,516	2,821,826	4,797,342
Stabilization by state statute	95,145	-	95,145
Capital Reserve Fund	-	100,891	100,891
Unrestricted	3,017,357	1,515,474	4,532,831
Total net position	5,088,018	4,438,191	9,526,209

Town of Stokesdale Statement of Activities June 30, 2021

Exhibit 2

				Net (Expense) Revenue and Changes in Net Position Jes Primary Government		
		Program	Revenues			
Due from other governments			Operating Grants			
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:						
Governmental Activities:						
General Government	276,873	1,255		(275,618)	-	(275,618)
Public Safety	17,700			(17,700)	-	(17,700)
Economic and Physical Development	29,534	49,692	45,103	65,261	-	65,261
Cultural and Recreational	131,688		75	(131,613)		(131,613)
Total Governmental Activities	455,795	50,947	45,178	(359,670)		(359,670)
Business-type Activities:						
Water	573,234	577,565			4,331	4,331
Total business-type activities	573,234	577,565	-		4,331	4,331
Total primary government	1,029,029	628,512	45,178	(359,670)	4,331	(355,339)

General Revenues:			
Taxes:			
Franchise Taxes	298,752		298,752
Grants and contributions not restricted to specific programs	45,812		45,812
Unrestricted investment earnings	18,138	3,373	21,511
Miscellaneous	241		241
Total General Revenues before Transfers	362,943	3,373	366,316
Change in Net Position	3,273	7,704	10,977
Net Position - Beginning	5,084,745	4,430,487	9,515,232
Net Position - Ending	\$ 5,088,018	\$ 4,438,191	\$ 9,526,209

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

Exhibit 3

	Major	
		Total
		Governmental
	General	Funds
Assets		
Cash and cash equivalents	3,045,455	3,045,455
Restricted cash	4,313	4,313
Due from Other Funds	15,175	15,175
Due from other governmental units	79,970	79,970
Total Assets	3,144,913	3,144,913
Liabilities and Fund Balances:		
Liabilities: Accounts Payable	19,768	19,768
Accrued Salaries	8,330	8,330
Payable from Restricted Assets	4,313	4,313
Total Liabilities	32,411	32,411
Fund Balances:		
Restricted: Stabilization by State Statute Committed:	95,145	95,145
Public Safety	23,500	23,500
Unassigned	2,993,857	2,993,857
Total Fund Balances	3,112,502	3,112,502
Total Liabilities and Fund Balances	3,144,913	3,144,913
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position		
Total Fund Balances Governmental Funds		3,112,502
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		
Gross capital assets at historical cost Accumulated Depreciation	2,877,774 902,258	
	·	1,975,516
Net Position of Governmental Activities		5,088,018



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

Exhibit 4

	Major	
		Total
		Governmental
	General	Funds
Revenues:		
Unrestricted intergovernmental	344,564	344,564
Permits and Fees	49,692	49,692
Interest on Investments	18,138	18,138
Economic Development	45,103	45,103
Miscellaneous	1,571	1,571
Total Revenue	459,068	459,068
Expenditures:		
General Government	245,594	245,594
Public Safety	17,700	17,700
Economic and Physical Development	29,534	29,534
Cultural and Recreational:	79,188	79,188
Total Expenditures	372,016	372,016
Revenue Over (Under) Expenditures		
Net Change in Fund Balance	87,052	87,052
Fund Balance - Beginning of Year	3,025,450	3,025,450
Fund Balance - End of Year	3,112,502	3,112,502

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

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	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds	87,052
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 depreciation exceeded capital outlay in the current period.	(83,779)
Total changes in net position on Governmental Activities	3,273

Town of Stokesdale North Carolina General Fund and Changes in Fund Balances Budget and Actual For the Year Ended June 30, 2021

Exhibit 5

			General Func 2021]
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Unrestricted intergovernmental Permits and Fees Interest on Investments Economic Development	337,800 20,000 20,000 0	337,800 20,000 20,000 45,103	344,564 49,692 18,138 45,103	6,764 29,692 (1,862) 0
Miscellaneous	7,000	6,000	1,571	(4,429)
Total Revenue	384,800	428,903	459,068	30,165
Expenditures: General Government Public Safety Economic and Physical Development Cultural and Recreational Total Operating Expenditures: Total Expenditures	222,479 24,571 46,750 146,000 439,800 439,800	285,332 24,571 33,000 86,000 428,903 428,903	245,594 17,700 29,534 79,188 372,016 372,016	39,738 6,871 3,466 6,812 56,887 56,887
Revenue Over (Under) Expenditures	(55,000)	-	87,052	87,052
Fund Balance Appropriated	55,000			
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			87,052	87,052
Fund Balance - Beginning of Year			3,025,450	
Fund Balance - End of Year			3,112,502	

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

Exhibit 6

	Enterprise Funds	
	Water Fund	Total
Assets Current Assets: Cash and Cash Equivalents		
Unrestricted Cash and Cash Equivalents	1,537,148	1,537,148
Restricted Cash and Cash Equivalents	87,936	87,936
Total Cash and Cash Equivalents	1,625,084	1,625,084
Accounts Receivable, Net	25,778	25,778
Unbilled Water Receivable	24,165	24,165
Total Current Assets	1,675,027	1,675,027
Non-Current Assets		
Land and Other Nondepreciable Assets	8,500	8,500
Other Capital Assets, Net of Depreciation	2,813,326	2,813,326
Total Non-Current Assets	2,821,826	2,821,826
Total Assets	4,496,853	4,496,853
Liabilities and Fund Balances: Liabilities:		
Accounts Payable and Accrued Liabilities	5,241	5,241
Accrued Salaries	318	318
Due to Other Funds Customer Deposits	15,175 37,928	15,175 37,928
Total Liabilities	58,662	58,662
	00,002	00,002
Net Positions:		
Restricted Funds for Capital Reserve Fund	100,891	100,891
Net Investment in Capital Assets	2,821,826	2,821,826
Unrestricted	1,515,474	1,515,474
Total Net Position	4,438,191	4,438,191

Town of Stokesdale Statement of Revenues, Expenditures and Changes in Fund Net Position Proprietary Funds For the Fiscal Year Ended June 30, 2021

Exhibit 7

	Enterprise Funds		
	Water Fund	Total	
Revenues:			
Operating Revenues			
Water Sales	445,476	445,476	
Water Taps	53,695	53,695	
Capacity Fees	61,750	61,750	
Other Fees	16,644	16,644	
Total Operating Revenue	577,565	577,565	
Expenditures			
Operating Expenditures			
Administrative	304,370	304,370	
Maintenance	10,370	10,370	
Purchase of Water for Resale	139,088	139,088	
Bad Debt	2,694	2,694	
Depreciation	116,712	116,712	
Total Expenditures	573,234	573,234	
Net Operating Income (Loss)	4,331	4,331	
Nonoperating Revenues			
Investment Earnings	3,373	3,373	
Revenues Over (Under) Expenditures			
(Net Change in Financial Position)	7,704	7,704	
Net Position - Beginning of Year	4,430,487	4,430,487	
Net Position - End of Year	4,438,191	4,438,191	

Town of Stokesdale Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2021

Exhibit 8

	Business Type Activities
	Water Fund
	Year Ended June 30, 2021
Cash flows from operating activities: Cash received from customers Cash paid for goods and services Cash paid to employees Customer deposits collected	563,540 (444,179) (6,963) 8,153
Net cash provided by (used for) operating activities	120,551
Cash flows from capital and related financing activities Acquisition of capital assets Cash flows from noncapital and related financing activities: Decrease in due to other funds	(20,382)
Capital Contribution - Federal Grant	(9,199)
Total cash flows from noncapital financing activities Cash flows from investing activities Earnings on Investments	(9,199) 3,373
Total cash flows from investing activities	3,373
Net increase (Decrease) in cash and cash equivalents	94,343
Cash and cash equivalents, July 1, 2020	1,530,741
Cash and cash equivalents, June 30, 2021	1,625,084

Town of Stokesdale Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2021

Exhibit 8

	Business Type Activities
	Water Fund
	Year Ended June 30, 2021
Reconciliation of operating income (Loss) to net cash provided by operating activities:	
Operating income (Loss)	4,331
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	116,712
Change in assets and liabilities: (Increase) decrease in accounts receivable	(6,652)
(Increase) decrease in unbilled receivable	(7,373)
Increase (decrease) in accounts payable	5,062
(Increase) decrease in Accrued Salaries	318
Increase (decrease) in water deposits	8,153
Total adjustments	116,220
Net cash provided by (used for) operating activities	120,551

Town of Stokesdale, North Carolina Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

I. <u>Summary of Significant Accounting Policies</u>

The accounting policies of the Town of Stokesdale conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. <u>Reporting Entity</u>

The Town of Stokesdale is a municipal corporation which is governed by an elected mayor and four-member council.

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 and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The Town reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are state-shared revenues. The primary expenditures are for general government.

The Town reports the following major enterprise fund:

Raine Raine

Water Fund – This fund is used to account for the Town's water operations which include the Utility Capital Reserve Fund.

C. <u>Measurement Focus and Basis of Accounting</u>

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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.

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

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

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

The Town considers all revenues available if they are collected within 90 days after year-end.

Sales taxes and certain intergovernmental revenues such as the utilities franchise tax collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Stokesdale because the tax is levied by Guilford County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash.

D. <u>Budgetary Data</u>

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations for all annually budgeted funds. The budget is amended by the governing body on a periodic basis as required by changing conditions. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget presented reflects the amended budget at June 30, 2021

. 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. In accordance with G.S. 159-13(a), the Town makes appropriations by department.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; 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 Town's 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 bond fund, has no rating and is measured at fair value. As of June 30, 2021, the term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. <u>Cash and Cash Equivalents</u>

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

3. <u>Restricted Assets</u>

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

Town of Stokesdale Restricted Cash	
Governmental Activities	
General Fund	
Payable from restricted assets	<u>\$4,313</u>
Total Governmental Activities	<u>\$4,313</u>
Business-type Activities	
Water Fund	
Customer Deposits	\$ 29,775
Restricted for Capital Reserve Fund	<u>\$ 58,161</u>
Total Business-type Activities	<u>\$ 87,936</u>
Total Restricted Cash	<u>\$ 92,249</u>

4. <u>Allowances for Doubtful Accounts</u>

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is an estimate of accounts that will not be collected.

5. <u>Capital Assets</u>

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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. Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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.

Minimum capitalization costs are as follows:

	Cost
Infrastructure	\$ 100,000
Buildings	20,000
Vehicles, Furniture and Equipment	2,000

As part of the implementation of GASB Statement 34, the Town was permitted to forego the retroactive reporting of governmental infrastructure networks. The Town has chosen to do so.

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

	Useful Life
Infrastructure/Distribution System	20 to 50 years
Furniture, fixtures, equipment, heavy equipment,	
and vehicles	5 to 10 years
Computer equipment and software	5 years

6. <u>Deferred outflows/inflows of resources</u>

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial 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 currently has no items that meet this criterion.

7. Net position/Fund Balances

Net position

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

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

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

Committed Fund Balance –portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Stokesdale'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.

Committed for Public Safety – portion of fund balance assigned by the Board for the purchase of a public safety vehicle.

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

II. Detail Notes on All Funds

A. <u>Assets</u>

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1. <u>Deposits</u>

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

At June 30, 2021 the Town's deposits had a carrying amount of \$ 4,152,220 and a bank balance of \$ 4,108,422. Of the bank balance, \$ 3,147,419 was covered by federal depository insurance at various banks and the remainder was covered by collateral held under the Pooling Method. At June 30, 2021, The Town's petty cash fund totaled \$ 150.

2. <u>Investments</u>

At June 30, 2021 the Town had \$ 522,482 (Amortized Cost) invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Town does not have a formal investment policy or credit risk policy.

3. <u>Receivables -- Allowances for Doubtful Accounts</u>

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

Enterprise Fund:

Water Fund – Accounts Receivable <u>\$6,868</u>

4. <u>Capital Assets</u>

Capital asset activity for the Governmental Activities for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	375,000	550		375,550
Total capital assets not being depreciated	375,000	550		375,550
Capital assets being depreciated:				
Buildings	1,565,130			1,565,130
Land Improvements	863,684			863,684
Equipment	73,410			73,410
Total capital assets being depreciated	2,502,224			2,502,224
Less accumulated depreciation for:				
Buildings	344,139	38,674		382,813
Land Improvements	404,659	43,458		448,117
Equipment	69,131	2,197		71,328
Total accumulated depreciation	817,929	84,329		902,258
Total capital assets being depreciated, net	1,684,295			1,599,966
Governmental activity capital assets, net	2,059,295			1,975,516

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

General Government:	\$31,829 \$52,500
Cultural and Recreation:	<u>\$52,500</u>
	<u>\$84,329</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	8,500			8,500
Total capital assets not being depreciated	8,500			8,500
Capital assets being depreciated:				
Distribution System	4,580,828	20,382		4,601,210
Computer Equipment and Software	9,000			9,000
Total capital assets being depreciated	4,589,828	20,382		4,610,210
Less accumulated depreciation for:				
Distribution System	1,673,872	114,912		1,788,784
Computer Equipment and Software	6,300	1,800		8,100
Total accumulated depreciation	1,680,172	116,712		1,796,884
Total capital assets being depreciated, net	2,909,656			2,813,326
Business-type activities capital assets, net	2,918,156			2,821,826

5. <u>Risk Management</u>

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 participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy 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 liability in excess of \$500,000 and \$1,000,000 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. Claims incurred have not exceeded coverage any of the three fiscal years.

The Town currently carries no flood insurance since no property is within a flood plane.

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.

IV. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2021, consist of the following:

Due to the General Fund from:

Water and Sewer Fund \$15,175

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

V. Fund Balance

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

Total fund balance – General Fund	\$ <u>3,112,502</u>
Less: Stabilization by Statute Public Safety	95,145
Remaining Fund Balance	2,993,857

VI. Significant Effects of Subsequent Events

Subsequent events have been evaluated through November 12, 2021, which is the date the financial statements were available to be issued. Through that date, management has determined that there were not any material recognizable or non-recognizable subsequent events.

Town of Stokesdale, North Carolina General Fund Comparative Fund Net Position June 30, 2021 and June 30, 2020

Statement A-1

	June 30, 2021	June 30, 2020
Assets		
Cash and cash equivalents Restricted cash Due from other funds Due from other governmental units Prepaid Expenses	3,045,455 4,313 15,175 79,970 	2,923,908 4,313 24,374 76,955 9,319
Total Assets	3,144,913	3,038,869
Liabilities and Fund Balances: Liabilities: Accounts Payable Accrued Salaies Payable from Restricted Assets Total Liabilities	19,768 8,330 4,313 32,411	9,106 4,313 13,419
Fund Balances: Non-spendable Prepaid Expenses Restricted: Stabilization by State Statute Committed: Public Safety Unassigned	- 95,145 23,500 2,993,857	9,319 101,329 23,500 2,891,302
Total Fund Balances	3,112,502	3,025,450
Total Liabilities and Fund Balances	3,144,913	3,038,869

Town of Stokesdale General Fund Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual For the Fiscal Year Ended June 30, 2021 With Comparative Actual Amounts for the Year Ended June 30, 2020

Statement A-2

		2020		
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Unrestricted Intergovernmental				
Beer and Wine Excise Tax	23,800	24,913	1,113	25,191
Local ABC Revenues	13,000	20,899	7,899	19,085
Utilities Franchise Tax	290,000	298,752	8,752	296,644
Telecommunications Tax	11,000	-	(11,000)	3,528
Total Revenue	337,800	344,564	6,764	344,448
Permits and Fees: Planning Fees Interest on Investments	20,000	<u> </u>	29,692	20,993
Economic Development: Cares Act				
Covid Relief Stimulus	45,103	45,103		-
Miscellaneous				
Town Hall Facilities Rental	3,000	1,255	(1,745)	1,814
Donations for Parade	3,000	75	(2,925)	5,446
Other		241	241	1,592
Total Miscellaneous	6,000	1,571	(4,429)	8,852
Total Revenues	428,903	459,068	30,165	428,230

Town of Stokesdale General Fund Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual For the Fiscal Year Ended June 30, 2021 With Comparative Actual Amounts for the Year Ended June 30, 2020

Statement A-2

		2021		2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expanditures				
Expenditures: General Government:				
Salaries	125,000	121,559	2 4 4 1	52,36
			3,441	
Health Insurance	14,000	11,693	2,307	4,78
Council Stipend	34,800	38,135	(3,335)	32,25
F.I.C.A	16,000	12,783	3,217	7,19
Audit	13,200	13,200	-	8,50
Legal Fees	52,000	41,353	10,647	47,19
Postage	3,000	1,907	1,093	2,37
Telephone	11,000	7,793	3,207	10,02
Printing and Office Supplies	19,000	17,980	1,020	9,99
Accounting	14,136	14,136	-	39,17
Mileage	1,503	24	1,479	53
Housekeeping Supplies	-	-	-	34
Membership Dues	11,000	8,408	2,592	8,89
Insurance and Bonding	10,000	6,253	3,747	6,02
Worker's Compensation Insurance	·		-	1,04
Payroll Processing Fees	3,000	1,877	1,123	2,62
Utilities	13,800	11,833	1,967	16,65
Utilities-Water	-	-	.,	
Travel and Conference	100	_	100	1,48
Admin. Expense, Service and Fees	4,000	_	4,000	8,97
Building Maintenance	4,000	-	4,000	9,47
	2 500	1,283	1 017	
Advertising	2,500		1,217	2,65
Equipment - Purchase and Maintenance	25,000	21,297	3,703	2,04
Equipment Maintenance	59,039	42,624	16,415	4,04
Town Hall Property and Grounds			-	
Website Design	7,000	6,753	247	1,62
Elections	-	-	-	3,17
Security/Alarm	2,500	869	1,631	2,81
Payroll Expenses - Other Employee Benefits	-	3,041	(3,041)	
Capital Outlay - Appraisal		550	(550)	
Total General Government	441,578	385,351	56,227	286,273
Reimbursement - Proprietary Funds	(156,246)	(139,757)	(16,489)	•
General Government	285,332	245,594	39,738	286,273
⁻ Public Safety				····· · ·
Animal Shelter/Animal Control	15,000	13,859	1,141	15,29
Fire Inspections	9,571	3,841	5,730	5,867
Total Public Safety	24,571	17,700	6,871	21,162
Economic and Physical Development				
Downtown Improvement Project	1,000	-	1,000	23,328
Advertising - Rezoning Activity	7,000	4,534	2,466	3,589
Planning Services		4,534 25,000	2,400	
	25,000		2 466	25,000
Total Economic and Physical Development	33,000	29,534	3,466	51,917

Town of Stokesdale General Fund Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual For the Fiscal Year Ended June 30, 2021 With Comparative Actual Amounts for the Year Ended June 30, 2020

Statement A-2

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	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Cultural and Recreational:				
Parade	5,000	2,446	2,554	3,252
Community Day		-	· -	3,927
Park Security Lights		-	° –	1,636
Property and Grounds		-	-	95,071
Building Maintenance	62,000	58,804	3,196	3,073
Repairs	9,000	7,151	1,849	6,799
Capital Outlay - Town Park			-	24,037
Library and Education	10,000	10,787	(787)	9,000
Total Cultural and Recreational	86,000	79,188	6,812	146,795
Total Expenditures	428,903	372,016	56,887	506,147
Rovenues Over (Linder) Expanditures				
Revenues Over (Under) Expenditures Net Change in Fund Balance	0	87,052	87,052	(77,917)
Fund Balance - Beginning of Year		3,025,450	i.	3,103,367
Fund Balance - End of Year		3,112,502		3,025,450

Town of Stokesdale, North Carolina Enterprise Fund - Water Fund Comparative Fund Net Position June 30, 2021 and June 30, 2020

Statement B-1

	June 30, 2021	June 30, 2020
Assets Current Assets:		
Cash and Cash Equivalents	1,537,148	1,500,966
Accounts Receivable, net Unbilled Water Receivable	25,778 24,165	19,126 16,792
Restricted Cash and Cash Equivalents	87,936	29,775
Total Current Assets	1,675,027	1,566,659
Non-Current Assets		
Land and Other Nondepreciable Assets	8,500	8,500
Other Capital Assets, Net of Depreciation	2,813,326	2,909,656
Total Non-Current Assets	2,821,826	2,918,156
Total Assets	4,496,853	4,484,815
Liabilities and Fund Balances:		
Accounts Payable and Accrued Liabilities	5,241	179
Accrued Salaries	318	-
Due to Other Funds	15,175	24,374
Customer Deposits	37,928	29,775
Total Liabilities	58,662	54,328
Net Positions:		
Restricted for Capital Reserve Fund	100,891	-
Net Investment in Capital Assets	2,821,826	2,918,156
Unrestricted	1,515,474	1,512,331
Total Net Position	4,438,191	4,430,487

Town of Stokesdale Water Fund Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 2021 With Comparative Actual Amounts for the Year Ended June 30, 2020

Statement B-2

		Statement D-2
	2020	2020
	Actual	Actual
Revenues:		
Operating Revenues		
Water Sales	445,476	379,107
Water Taps	53,695	23,643
Capacity Fees	61,750	39,141
Other Fees	16,644	15,892
Total Operating Revenue	577,565	457,783
Expenditures		
Operating Expenditures		
Administrative	304,370	152,811
Maintenance	10,370	142,149
Purchase of Water for Resale	139,088	130,717
Bad Debt <i>≲</i>	2,694	
Depreciation	116,712	116,237
Total Expenditures	573,234	541,914
Net Operating Income (Loss)	4,331	(84,131)
Non Operating Revenues:		
Investment Earnings	3,373	16,191
Revenues Over (Under) Expenditures		
(Net Change in Fund Balance)	7,704	(67,940)
Net Position - Beginning of Year	4,430,487	4,498,427
Net Position - End of Year	4,438,191	4,430,487

Town of Stokesdale Water Fund Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual For the Fiscal Year Ended June 30, 2021 With Comparative Actual Amounts for the Year Ended June 30, 2020

Statement B-3

	2021			2020	
	Budget	Actual	Variance Favorable (Unfavorable)	Actual	
Revenues:					
Operating Revenues					
Water Sales	423,000	445,476	22,476	379,107	
Water Taps	50,000	53,695	3,695	23,643	
Capacity Fees	75,000	61,750	(13,250)	39,141	
Late Fees	2,550	1,677	(873)	10,042	
Inspection Fees Miscellaneous Fees	8,567	8,567	-	3,150 2.700	
Total Operating Revenues	8,800 567,917	<u> </u>	<u>(2,400)</u> 9,648	457,783	
Nonoperating Revenues	567,911	577,505	5,040	457,765	
Investment Earnings	4,000	3,373	(627)	16,191	
Total Revenues	571,917	580,938	9,021	473,974	
Expenditures					
Operating Expenditures					
Administrative					
Salaries	10,532	6,690	3,842	34,532	
FICA Tax	1,071	591	480	2,811	
Professional Fees	59,850	56,172	3,678	36,616	
Audit	-	-	-	5,280	
Office Expense	1,500	4,264	(2,764)	1,208	
Postage	1,500	1,274	226	2,100	
Contract Operations	90,000	92,195	(2,195)	67,710	
Utility Service	550	596	(46)	298	
Mileage Reimbursement Dues and Fees	2,000	1,706	294	1,971	
Subscriptions	1,000	1,125	(125) 1,800	285	
Administrative Fee	1,800	-	1,000	-	
Paid to General Fund	156,246	139,757	16,489	_	
	100,240	103,707			
Total Administrative	326,049	304,370	21,679	152,811	
Maintenance					
Supplies	-	-	-	369	
Chemicals	700	627	73	275	
Chlorinator Maintenance	4,000	2,462	1,538	-	
Electrical Utilities	-	-	-	250	
Water Hyrdrant Maintenance	5,000	4,101	899	-	
General Repairs	20,000	-	20,000	-	
Water Tank Painting	-	-	-	134,398	
Testing - Miscellaneous	3,000	3,180	(180)	3,025	
Purchase & Installation Meters	13,000	-	13,000	3,832	
Total Maintenance	45,700	10,370	35,330	142,149	
Purchase of Water for Resale	160,000	139,088	20,912	130,717	
Capital Outlay:					
Marking Water Lines	1,000	370	630	459	
Water Meter - New Construction	30,000	20,011	9,989	18,510	
Total Capital Outlay	31,000	20,381	10,619	18,969	
Total Expenditures	562,749	474,209	88,540	444,646	
Revenues Over (Under) Expenditures	9,168	106,729	97,561	29,328	
Other Financing Sources (Uses)					
Transferred to Capital Reserve Fund	(114,141)	-	114,141	-	
Fund Balance Appropriated	104,973		(104,973)		
	(9,168)		9,168	_	
Net Change in Fund Balance		106,729	106,729	29,328	
Her change in Fund buildhee				20,020	

Town of Stokesdale, Water Fund Schedule of Revenues and Expenditures Budget and Actual (Non GAAP) For the Fiscal Year Ended June 30, 2021

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Statement B-3

·	2021	2020
	Actual	Actual
Reconciliation of modified accrual basis to full accrual basis:		
Total revenues on Exhibit B - Water and Sewer Fund	580,938	473,974
Total expenditures on Exhibit B- Water and Sewer Fund	474,209	444,646
	-d	
Excess of revenues over (under) expenditures	106,729	29,328
Capital Outlay	20,381	18,969
Bad Debt Expense	(2,694)	-
Depreciation	(116,712)	(116,237)
Transfer to General Fund		-
Net Increase (Decrease) in Net Position	7,704	(67,940)