

REVIEWED

By SLGFD at 11:58 am, Feb 17, 2022

TOWN OF SUMMERFIELD, NORTH CAROLINA

Report of Audit

For the Fiscal Year Ended June 30, 2021



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FINANCIAL SECTION

Independent Auditor's Report

To the Honorable Mayor
And Members of the Town Council
Summerfield, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Summerfield, 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

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 and each major fund of the Town of Summerfield, North Carolina as of June 30, 2021, and the respective changes in financial position 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 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions 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 Summerfield, 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. 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.

W Greene, PLLC

Whiteville, North Carolina
December 20, 2021

As management of the Town of Summerfield, we offer readers of the Town of Summerfield's financial statements this narrative overview and analysis of the financial activities of the Town of Summerfield 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's financial statements, which follow this narrative.

Overview of the Town of Summerfield

The Town of Summerfield was incorporated in 1996. The Town is governed by an elected Mayor and five-member Town Council. Effective with the November 2005 election, the Mayor is elected every two years directly by the voters. Council members serve four-year staggered terms. A voter referendum in 2007 changed the form of government from Mayor/Council to Council/Manager. In addition to the Town Council and staff, there are many volunteer committees that serve the Town.

Financial Highlights

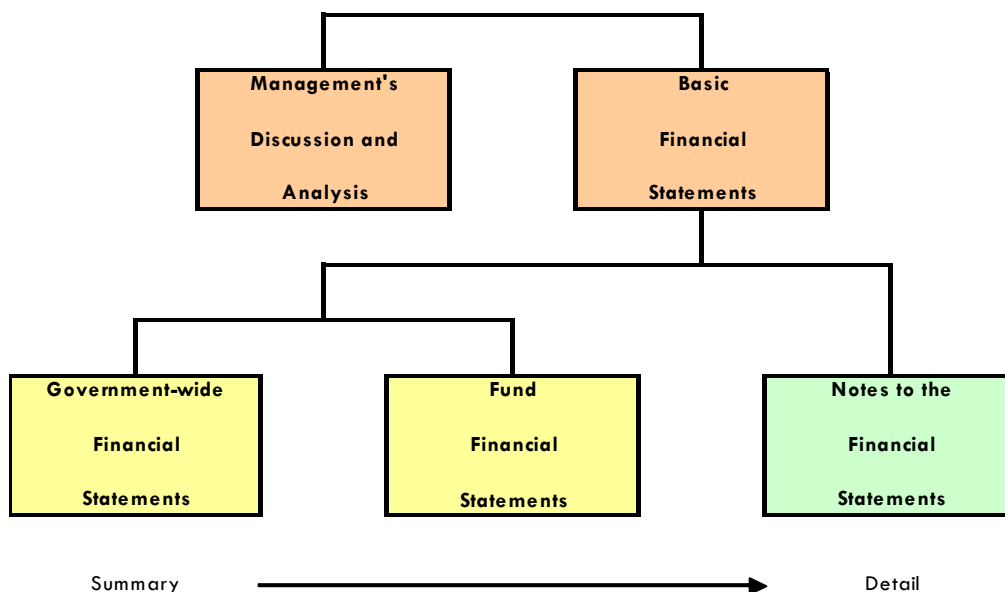
- The assets and deferred outflows of resources of the Town of Summerfield exceeded its liabilities and deferred inflows at the close of the fiscal year by \$14,120,618 (net position).
- The government's total net position increased by \$878,019, primarily due to a land donation.
- As of the close of the current fiscal year, the Town of Summerfield's governmental funds reported combined ending fund balances of \$7,148,716 with a net increase of \$103,464 in fund balance. Approximately 2.73 percent of this total amount, or \$195,444, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,630,258, or 263.07 percent of total general fund expenditures for the fiscal year. At the end of the current fiscal year, fund balance available for the general fund was \$6,955,660, or 504.05 percent 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 Summerfield'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 Summerfield.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (pages 18 through 21) 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 (pages 22 through 27) 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 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 Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

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

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

The government-wide statements are divided into one category: 1) governmental activities. The governmental activities include most of the Town's basic services such as administration, streets and highways, sanitation, cultural and recreation and public safety. Property taxes and State and federal grant funds finance most of these activities.

The government-wide financial statements are on pages 18 through 21 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Summerfield, 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 Summerfield can be divided into one category: governmental 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 Summerfield 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 Town Council 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.

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 28 through 49 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Summerfield's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 52 of this report.

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

Government-Wide Financial Analysis

Town of Summerfield's Net Position

Figure 2

	Governmental Activities	
	2021	2020
Current and other assets	\$ 7,337,686	\$ 7,187,953
Capital assets	7,132,799	6,309,385
Deferred outflows of resources	141,749	102,757
Total assets and deferred outflows of resources	14,612,234	13,600,095
Long-term liabilities outstanding	290,989	198,989
Other liabilities	188,187	141,866
Deferred inflows of resources	12,440	16,641
Total liabilities and deferred inflows of resources	491,616	357,496
Net position:		
Net investment in capital assets	7,132,799	6,309,385
Restricted	192,200	174,859
Unrestricted	6,795,619	6,758,355
Total net position	\$ 14,120,618	\$ 13,242,599

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Summerfield exceeded liabilities and deferred inflows by \$14,120,618 as of June 30, 2021. The Town's net position increased by \$878,019 for the fiscal year ended June 30, 2021. However, a large portion (50.51%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Town of Summerfield uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Summerfield's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Summerfield's net position, \$192,200, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,795,619 is unrestricted.

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

- The Guilford County Tax Office is diligent in the collection of property taxes by maintaining a tax collection percentage of 99.78%. The statewide average in fiscal year 2021 was 98.96%. The citizens and businesses of the Town of Summerfield are very prompt in paying their taxes and this certainly speaks favorably of them having such a high collection rate. The Town of Summerfield contracts with Guilford County to collect property taxes and they continue to do a very good job in the collection of taxes.

The Town of Summerfield's Changes in Net Position

Figure 3

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 70,693	\$ 39,501
Operating grants and contributions	-	-
Capital grants and contributions	-	-
General Revenues		
Property taxes	455,265	438,070
Other taxes	797,942	774,237
Investment Earnings	104,618	136,609
Other	815,092	25,807
Total revenues	2,243,610	1,414,224
Expenses:		
General Government	642,783	616,165
Planning and Zoning	398,126	535,259
Board of Adjustments	663	742
Culture and Recreation	273,688	261,461
Community Services and Committees	50,331	47,239
Total expenses	1,365,591	1,460,866
Increase(Decrease) in net position before transfers	878,019	(46,642)
Transfers	-	-
Change in net position	878,019	(46,642)
Net Position, beginning	13,242,599	13,289,241
Net position, June 30	\$ 14,120,618	\$ 13,242,599

Governmental activities. Governmental activities increased the Town's net position by \$878,019, thereby accounting for 100% of the total increase in the net position of the Town of Summerfield.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Summerfield'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 Summerfield's financing requirements.

The general fund is the chief operating fund of the Town of Summerfield. At the end of the current fiscal year, Town of Summerfield's fund balance available in the General fund was \$6,955,660, while total fund balance reached \$7,148,716. The Town currently has an available fund balance of 504.05% of general fund expenditures, while the total balance represents 518.04% of the same amount.

At June 30, 2021, the governmental funds of Town of Summerfield reported a combined fund balance of \$7,148,716, with a net increase in fund balance of \$103,464.

General Fund Budgetary Highlights. During the fiscal year, the Town may revise the budget on occasions. Generally, budget amendments will 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.

Revenues were more than the budgeted amounts primarily because of an increase in State shared revenues that the Town originally had expected to receive. Total expenditures were held below budgeted amounts.

Capital Asset and Debt Administration

Capital assets. The Town of Summerfield's investment in capital assets for its governmental activities as of June 30, 2021, totals \$7,132,799 (net of accumulated depreciation). These assets include buildings, land, vehicles, park facilities, and equipment.

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

- Parking Lot and Building Improvements
- Computer Equipment
- Grounds Equipment
- Donated Land

Depreciation expense was \$256,561 for the year ended June 30, 2021.

The Town of Summerfield's Capital Assets
(net of depreciation)

Figure 4

	Governmental Activities	
	2021	2020
Land	\$ 3,009,246	\$ 2,249,048
Buildings and Improvements	1,000,359	789,109
Land Improvements	2,412,246	2,550,773
Vehicles	275	275
Office Furniture and Equipment	50,227	59,734
Construction in Progress	660,446	660,446
Total	\$ 7,132,799	\$ 6,309,385

Additional information on the Town's capital assets can be found in Note II of the Basic Financial Statements.

Town of Summerfield's Outstanding Long Term Liabilities

The Town of Summerfield's Outstanding Liabilities

Figure 5

	Governmental Activities	
	2021	2020
Compensated absences	\$ 40,849	\$ 30,218
Pension related debt (LGERS)	250,140	168,771
Total	\$ 290,989	\$ 198,989

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 Town of Summerfield is \$130,855,642. The Town of Summerfield does not have any authorized but un-issued debt at June 30, 2021.

Additional information regarding the Town of Summerfield's long-term liabilities can be found beginning on page 48 in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

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

- Economic conditions have declined in North Carolina due to conditions brought about by the global pandemic. This will continue to possibly have a negative impact on revenues and expenditures.
- Although utilities franchise taxes are expected to decrease and interest rates are declining, alcoholic beverage taxes are expected to rise.
- The Town anticipates that ad valorem tax collections will continue steady due to property value appreciation as well as a high collection rate.
- Town staff is comprised of professional personnel who participate in professional development.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities:

- The Town will use a combination of revenues and fund balances to finance programs currently in place to construct and repair Town facilities.
- The Town will levy property tax of \$.0275 per \$100 of assessed value for the fiscal year ending June 30, 2022. The tax base is approximately \$1.630 billion.
- Budgeted expenditures in the General Fund are \$4,665,739 during the fiscal year ending June 30, 2022. Fund Balance is appropriated in the amount of \$3,323,014. Several of the capital projects and larger committee expenses include: Town Hall Development and Construction (\$3,140,000), A&Y Greenway Development (\$50,000), Land Use Plan Development (\$30,000), and Community Center Improvements (\$30,000).

Requests for Information

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

Town Manager
Town of Summerfield
PO Box 970
Summerfield, North Carolina 27358
(336) 643-8655
swhitaker@summerfieldnc.gov



Basic Financial Statements

TOWN OF SUMMERFIELD, NORTH CAROLINA

Statement of Net Position

June 30, 2021

	Primary Government Governmental Activities	Total
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 7,141,459	\$ 7,141,459
Receivables (net):		
Ad Valorem Taxes	760	760
Interest	23	23
Accounts	3,325	3,325
Due from Other Governments	186,487	186,487
Prepaid Items	3,244	3,244
Restricted Cash and Cash Equivalents	2,388	2,388
Total Current Assets	7,337,686	7,337,686
Noncurrent Assets:		
Capital Assets		
Land, Nondepreciable Improvements, and Construction in Progress	3,669,692	3,669,692
Other Capital Assets, Net of Depreciation	3,463,107	3,463,107
Total Noncurrent Assets	7,132,799	7,132,799
Total Assets	14,470,485	14,470,485
DEFERRED OUTFLOWS OF RESOURCES		
Pension Deferrals	141,749	141,749
Total Deferred Outflows of Resources	\$ 141,749	\$ 141,749

TOWN OF SUMMERFIELD, NORTH CAROLINA

Statement of Net Position (Continued)

June 30, 2021

	Primary Government Governmental Activities	Total
LIABILITIES		
Current Liabilities:		
Accounts Payable and		
Accrued Liabilities	\$ 188,187	\$ 188,187
Current Portion of Long-Term Liabilities	-	-
Total Current Liabilities	188,187	188,187
Long-Term Liabilities:		
Net Pension Liability	250,140	250,140
Due in More Than One Year	40,849	40,849
Total Liabilities	479,176	479,176
DEFERRED INFLOWS OF RESOURCES		
Pension Deferrals	12,440	12,440
Prepaid Taxes	-	-
Total Deferred Inflows of Resources	12,440	12,440
NET POSITION		
Net Investment in Capital Assets	7,132,799	7,132,799
Restricted for:		
Stabilization by State Statute	189,812	189,812
Other	2,388	2,388
Unrestricted	6,795,619	6,795,619
Total Net Position	\$ 14,120,618	\$ 14,120,618

TOWN OF SUMMERFIELD, NORTH CAROLINA

Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 642,783	\$ -	\$ -	\$ -
Planning and Zoning	398,126	40,407	-	-
Planning Boards	663	-	-	-
Cultural and Recreation	273,688	30,286	-	-
Community Services and Committees	50,331	-	-	-
Total Governmental Activities	1,365,591	70,693	-	-
Total Primary Government	\$ 1,365,591	\$ 70,693	\$ -	\$ -

TOWN OF SUMMERFIELD, NORTH CAROLINA

Statement of Activities (Continued)

For the Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
	Governmental Activities	Totals
Primary Government:		
Governmental Activities:		
General Government	\$ (642,783)	\$ (642,783)
Planning and Zoning	(357,719)	(357,719)
Planning Boards	(663)	(663)
Cultural and Recreation	(243,402)	(243,402)
Community Services and Committees	(50,331)	(50,331)
Total Governmental Activities	(1,294,898)	(1,294,898)
Total Primary Government	(1,294,898)	(1,294,898)
General Revenues:		
Property Taxes, Levied for General Purpose	455,265	455,265
Other Taxes and Licenses	797,942	797,942
Investment Earnings	104,618	104,618
Miscellaneous	815,092	815,092
Transfers	-	-
Total General Revenues and Transfers	2,172,917	2,172,917
Change in Net Position	878,019	878,019
Net Position - Beginning	13,242,599	13,242,599
Net Position - End of Year	\$ 14,120,618	\$ 14,120,618

TOWN OF SUMMERFIELD, NORTH CAROLINA

Balance Sheet

Governmental Funds

June 30, 2021

	Major Fund	
	General Fund	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 7,141,459	\$ 7,141,459
Restricted Cash	2,388	2,388
Receivables (net):		
Ad Valorem Taxes	760	760
Other	3,325	3,325
Due from Other Governments	186,487	186,487
Prepaid Expenses	3,244	3,244
Total Assets	7,337,663	7,337,663
LIABILITIES		
Accounts Payable and		
Accrued Liabilities	188,187	188,187
Total Liabilities	188,187	188,187
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Receivable	760	760
Prepaid Taxes	-	-
Total Deferred Inflows of Resources	760	760
FUND BALANCES		
Nonspendable		
Prepaid Expenses	3,244	3,244
Restricted		
Stabilization by State Statute	189,812	189,812
Other	2,388	2,388
Assigned		
Subsequent Year's Expenditures:	3,323,014	3,323,014
Unassigned	3,630,258	3,630,258
Total Fund Balances	7,148,716	7,148,716
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,337,663	\$ 7,337,663

TOWN OF SUMMERFIELD, NORTH CAROLINA

Balance Sheet (Continued)

Governmental Funds

June 30, 2021

		Total Governmental Funds
<hr/>		
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Governmental Fund Balance		\$ 7,148,716
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	\$ 11,071,873	
Accumulated depreciation	<u>(3,939,074)</u>	7,132,799
Deferred outflows of resources related to pensions are not reported in the funds		
	<u>141,749</u>	141,749
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred		
Accrued interest - taxes	<u>23</u>	23
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Ad valorem taxes	<u>760</u>	760
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(40,849)	
Net pension liability	<u>(250,140)</u>	(290,989)
Pension related deferrals		<u>(12,440)</u>
Net position of governmental activities		<u><u>\$ 14,120,618</u></u>

TOWN OF SUMMERFIELD, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2021

	Major Fund		Total	
	General		Governmental	
	Fund		Funds	
Revenues				
Ad Valorem Taxes	\$	455,263	\$	455,263
Unrestricted Intergovernmental		797,942		797,942
Permits and Fees		40,407		40,407
Sales and Service		30,286		30,286
Investment Earnings		104,618		104,618
Miscellaneous		54,894		54,894
Total Revenues		<u>1,483,410</u>		<u>1,483,410</u>
Expenditures				
Current				
General Government		594,627		594,627
Planning and Zoning		152,530		152,530
Planning Boards		663		663
Cultural and Recreation		262,018		262,018
Community Services and Committees		50,331		50,331
Capital Outlay				
General Government		252,948		252,948
Planning and Zoning		1,597		1,597
Cultural and Recreation		30,463		30,463
Community Services and Committees		34,769		34,769
Total Expenditures		<u>1,379,946</u>		<u>1,379,946</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>103,464</u>		<u>103,464</u>
Other Financing Sources (Uses)				
Transfers from Other Funds		-		-
Transfers to Other Funds		-		-
Installment Purchase Obligations Issued		-		-
Sale of Capital Assets		-		-
Total Other Financing Sources (Uses)		<u>-</u>		<u>-</u>
Net Change in Fund Balance		103,464		103,464
Fund Balance - Beginning of Year		<u>7,045,252</u>		<u>7,045,252</u>
Fund Balance - End of Year	\$	<u>7,148,716</u>	\$	<u>7,148,716</u>

TOWN OF SUMMERFIELD, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Governmental Funds

For the Year Ended June 30, 2021

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

Net changes in fund balances - total governmental funds	\$	103,464
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Donated Asset	760,198	
Capital outlay expenditures which were capitalized	319,777	
Depreciation expense	<u>(256,561)</u>	823,414

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities

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

Change in unavailable revenue for tax revenues	10	
Interest earned on ad valorem taxes	<u>(8)</u>	2

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issuance	-	
Debt retirement	<u>-</u>	-

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Pension Expense	(38,230)	
Compensated absences	<u>(10,631)</u>	(48,861)

Total changes in net position of governmental activities	\$	<u>878,019</u>
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TOWN OF SUMMERFIELD, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad Valorem Taxes	\$ 437,000	\$ 437,000	\$ 455,263	\$ 18,263
Unrestricted Intergovernmental	696,500	696,500	797,942	101,442
Restricted Intergovernmental	-	-	-	-
Permits and Fees	17,000	17,000	40,407	23,407
Sales and Service	40,000	40,000	30,286	(9,714)
Investment Earnings	90,000	90,000	104,618	14,618
Miscellaneous	14,225	14,225	54,894	40,669
Total Revenues	1,294,725	1,294,725	1,483,410	188,685
Expenditures				
General Government	1,318,975	1,344,975	847,575	497,400
Planning and Zoning	270,275	272,775	154,127	118,648
Planning Boards	3,050	3,050	663	2,387
Cultural and Recreation	466,550	428,050	292,481	135,569
Community Services and Committees	104,850	114,850	85,100	29,750
Total Expenditures	2,163,700	2,163,700	1,379,946	783,754
Revenues Over (Under) Expenditures	(868,975)	(868,975)	103,464	972,439
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	-	-
Sale of Capital Assets	-	-	-	-
Installment Purchase Obligations Issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(868,975)	(868,975)	103,464	972,439
Appropriated Fund Balance	868,975	868,975	-	(868,975)
Net Change in Fund Balance	\$ -	\$ -	103,464	\$ 103,464
Fund Balance - Beginning of Year			7,045,252	
Fund Balance - End of Year			\$ 7,148,716	

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town of Summerfield is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town.

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 the *governmental activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Town of Summerfield has no business-type activities.

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Statements for governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are reported as non-major funds.

The Town reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for cultural and recreational services, planning and zoning and general government.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting

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

Government-wide 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 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.

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

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

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Summerfield 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are generally reported at fair value. The NCCMT – Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)****2. Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

3. Restricted Assets

Restricted assets consist of the following:

Town of Summerfield Restricted Cash		
Governmental Activities		
General Fund		
Brittain Building Clock	\$	1,324
Welcome Sign		20
Historical Committee		1,044
Total Governmental Activities		2,388
Total Restricted Cash	\$	2,388

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (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. As allowed by State Law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Prepaid Items

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.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)****7. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are set at \$1,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The 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:

Asset Class	Estimated Useful Lives
Infrastructure	15 to 50
Buildings	15 to 50
Land Improvements	15 to 50
Vehicles	3 to 10
Furniture and Fixtures	3 to 10
Equipment	3 to 10
Computer Equipment	3 to 5
Software	3 to 5

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals for the 2021 year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meets the criterion for this category – property taxes receivable, prepaid taxes and pension deferrals.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)****9. Long-Term Obligations**

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

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. Any employee with more than 30 days of accumulated leave shall have the excess accumulation converted to sick leave so that only 30 days of vacation time is carried forward to January 1 of the next calendar year. For the Town's government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of the number of days of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balances

Net Position

Net position in government-wide 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 Balance

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

The governmental fund types classify fund balances as follows:

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

Prepaid expenses – portion of fund balance that is not an available resource because it represents the year end balance of prepaid expenses, which are not spendable resources.

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

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

Restricted for Other – portion of fund balance that is restricted by revenue source for Town clock, parks and recreation, historical, and Town welcome sign expenditures.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balances (Continued)

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Summerfield'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 similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

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

The Town of Summerfield 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-Town funds, Town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 30% of General Fund budgeted expenditures.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERs) and additions to/deductions from LGERs' fiduciary net position have been determined on the same basis as they are reported by LGERs. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Summerfield's employer contributions are recognized when due and the Town of Summerfield has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERs. Investments are reported at fair value.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in this 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 Town, these deposits are considered to be held by the Town's agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. 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 \$7,140,100 and a bank balance of \$7,208,386. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2021, the Town's petty cash fund totaled \$200.

2. Investments

At June 30, 2021, the Town of Summerfield had \$3,547 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has a credit risk policy which limits its investments to the following:

- a. Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
- b. Obligations of the State of North Carolina.
- c. Savings Certificates issued by any savings and loan association having its principal office in North Carolina; provided that any principal amount of such certificate in excess of the amount insured by the federal government or any agency thereof, or by a mutual domestic deposit guaranty association authorized by the Commissioner of Banks of the Department of Commerce of the State of North Carolina, be fully collateralized.
- d. Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest (A1, P1, F1) by any nationally recognized rating service which rates the particular obligation.
- e. Participating shares in a mutual fund for local government investment (such as the NC Cash Management Trust), which is certified by the NC Local Government Commission.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**A. Assets (Continued)****2. Investments (Continued)**

It is recognized that the Town may want to diversify its investments further by allowing other legally recognized investments to be utilized. The decision to add investment vehicle options to this policy shall be based on a recommendation from the Finance Officer and Finance Committee to the Town Council.

The combined total investment in commercial paper shall not exceed fifteen percent (15%) of the total portfolio and the investment in commercial paper of a single issuer shall not exceed the lesser of three hundred thousand dollars (\$300,000) or seven percent (7%) of the total portfolio at the time of investment.

No investment shall be made in any security with maturity greater than five (5) years from the date of purchase. No more than twenty-five percent (25%) of the total portfolio at the time of investment can be in any security with maturity greater than four (4) years.

3. Receivables - Allowances 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:

<u>Fund</u>	<u>06/30/2021</u>
General Fund:	
Taxes receivable	\$ 2,696
Total General Fund	<u>2,696</u>

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**A. Assets (Continued)****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
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,249,048	\$ 760,198	\$ -	\$ 3,009,246
Construction in Progress	660,446	-	-	660,446
Total capital assets not being depreciated	2,909,494	760,198	-	3,669,692
Capital assets being depreciated:				
Buildings and Improvements	1,167,682	246,607	-	1,414,289
Land Improvements	5,541,091	-	-	5,541,091
Office Furniture and Equipment	340,216	73,170	-	413,386
Vehicles	33,415	-	-	33,415
Total capital assets being depreciated	7,082,404	319,777	-	7,402,181
Less accumulated depreciation for:				
Buildings and Improvements	378,573	35,357	-	413,930
Land Improvements	2,990,318	138,527	-	3,128,845
Office Furniture and Equipment	280,482	82,677	-	363,159
Vehicles	33,140	-	-	33,140
Total accumulated depreciation	3,682,513	256,561	-	3,939,074
Total capital assets being depreciated, net	3,399,891			3,463,107
Governmental activity capital assets, net	\$ 6,309,385			\$ 7,132,799

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

General Government	\$ 19,441
Planning and Zoning	231,020
Recreation	6,100
Total	<u>\$ 256,561</u>

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Summerfield is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serves as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Summerfield employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Summerfield's contractually required contribution rate for the year ended June 30, 2021, was 10.15% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Summerfield were \$47,837 for the year ended June 30, 2021.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

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

At June 30, 2021, the Town reported a liability of \$250,140 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020 (measurement date), the Town's proportion was 0.00700%, which was an increase of 0.00082% from its proportion measured as of June 30, 2019.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)****a. Local Governmental Employees' Retirement System (Continued)**

For the year ended June 30, 2021, the Town recognized pension expense of \$86,067. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,588	\$ -
Changes of assumptions	18,615	-
Net difference between projected and actual earnings on pension plan investments	35,201	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	8,508	12,440
Town contributions subsequent to the measurement date	47,837	-
Total	<u>\$ 141,749</u>	<u>\$ 12,440</u>

\$47,837 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 23,891
2023	30,427
2024	16,736
2025	10,418
2026	-
Thereafter	-
	<u>\$ 81,472</u>

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)****a. Local Governmental Employees' Retirement System (Continued)**

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)****a. Local Governmental Employees' Retirement System (Continued)**

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 507,506	\$ 250,140	\$ 36,250

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

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)*****Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions***

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

	LGERS	Total
Pension Expense	\$ 86,067	\$ 86,067
Pension Liability	250,140	250,140
Proportionate share of the net pension liability	0.00700%	
Deferred Outflows of Resources		
Differences between expected and actual experience	31,588	31,588
Changes of assumptions	18,615	18,615
Net difference between projected and actual earnings on plan investments	35,201	35,201
Changes in proportion and differences between contributions and proportionate share of contributions	8,508	8,508
Benefit payments and administrative costs paid subsequent to the measurement date	47,837	47,837
Deferred Inflows of Resources		
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	12,440	12,440

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)****b. Supplemental Retirement Income Plan**

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Town contributes three percent of the employee's monthly compensation to the plan, and the employees may make voluntary contributions. The Town made contributions of \$12,915 for the reporting year. No amounts were forfeited.

2. Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Contributions to pension plan in current fiscal year	\$	47,837
Differences between expected and actual experience		31,588
Changes of assumptions		18,615
Net difference between projected and actual		35,201
Changes in proportion and differences between employer contributions and proportionate share of contributions		8,508
Charge on refunding		-
Total	\$	<u>141,749</u>

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**B. Liabilities (Continued)****2. Deferred Outflows and Inflows of Resources (Continued)**

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ -	\$ -
Taxes Receivable (General Fund)	-	760
Changes in assumptions	-	-
Difference between expected and actual experience	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,440	-
Total	\$ 12,440	\$ 760

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town 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 \$2 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits. 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 value. Claims have not exceeded coverage in any of the past three fiscal years.

The Town carries flood insurance through Interlock Risk Financial Fund of North Carolina. The Town is in an area of the State that has been mapped and designated an "X". The "X" flood rate zone is outside the 1% annual charge flood plain. The policy carries a coverage limit of \$5,000,000 and a \$50,000 deductible clause.

In accordance with G.S. 159-29, the Town's finance officer is bonded for \$50,000. The remaining employees are covered under an employee dishonesty policy for \$10,000.

4. Claims, Judgements and Contingent Liabilities

At June 30, 2021, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of legal matters will not have a material adverse effect on the Town's financial position.

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

II. DETAIL NOTES ON ALL FUNDS (Continued)**B. Liabilities (Continued)****5. Long-Term Obligations****a. Changes in Long-Term Liabilities**

	Balance 07/01/20	Increases	Decrease	Balance 06/30/21	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ -	\$ -	\$ -	\$ -	-
Net pension liability (LGERS)	168,771	81,369	-	250,140	-
Compensated absences	30,218	10,631	-	40,849	-
Governmental activity long-term liabilities	<u>\$ 198,989</u>	<u>\$ 92,000</u>	<u>\$ -</u>	<u>\$ 290,989</u>	<u>-</u>

Compensated absences typically have been liquidated in the General Fund.

C. Net Investment in Capital Assets

	Governmental
Capital Assets	<u>\$ 7,132,799</u>
less: long-term debt	-
Add: unexpended debt proceeds	-
Net Investment in Capital Assets	<u><u>\$ 7,132,799</u></u>

D. 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>	\$ 7,148,716
Less:	
Prepays	3,244
Stabilization by State Statute	189,812
Other Restricted Donations	2,388
Appropriated Fund Balance in 2021-2022 budget	3,323,014
Remaining Fund Balance	3,630,258

TOWN OF SUMMERFIELD, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

III. JOINTLY GOVERNED ORGANIZATION

The Town, in conjunction with 12 counties and 60 other municipalities established the Piedmont Triad Regional Council. The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town paid membership fees of \$2,481 to the Council during the fiscal year ended June 30, 2021.

IV. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**Federal and State Assisted Programs**

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

V. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 20, 2021, which is the date the financial statements were available to be issued.



***Required Supplementary
Financial Data***

TOWN OF SUMMERFIELD, NORTH CAROLINA
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Summerfield's proportion of the net pension liability (asset) (%)	0.00700%	0.00618%	0.00798%	0.00698%	0.00550%	0.00511%	0.00418%	0.00460%
Summerfield's proportion of the net pension liability (asset) (\$)	\$ 250,140	\$ 168,771	\$ 189,313	\$ 106,635	\$ 116,728	\$ (22,933)	\$ (24,651)	\$ 55,448
Summerfield's covered-employee payroll	\$ 422,275	\$ 401,289	\$ 432,410	\$ 370,550	\$ 317,025	\$313,777	\$ 243,581	\$ 235,695
Summerfield's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	59.24%	42.06%	43.78%	28.78%	36.82%	(7.31%)	(10.12%)	23.53%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

TOWN OF SUMMERFIELD, NORTH CAROLINA

Town of Summerfield's Contributions

Required Supplementary Information

Last Eight Fiscal Years

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 47,837	\$ 37,794	\$ 31,124	\$ 32,431	\$ 26,865	\$ 21,145	\$ 22,184	\$ 17,221
Contributions in relation to the contractually required contribution	47,837	37,794	31,124	32,431	26,865	21,145	22,184	17,221
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Summerfield's covered employee payroll	\$ 471,298	\$ 422,275	\$ 401,289	\$ 432,410	\$ 370,550	\$ 317,025	\$ 313,777	\$ 243,581
Contributions as a percentage of covered-employee payroll	10.15%	8.95%	7.76%	7.50%	7.25%	6.67%	7.07%	7.07%



Major Governmental Funds

General Fund

TOWN OF SUMMERFIELD, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes			
Taxes		\$ 449,828	
Penalties and Interest		5,435	
Total Ad Valorem Taxes	\$ 437,000	455,263	\$ 18,263
Unrestricted Intergovernmental			
Local Option Sales Tax		130,260	
Utility Franchise Tax		412,172	
ABC Distribution		196,661	
Beer and Wine Tax		49,906	
Solid Waste Disposal Tax		8,943	
Total Unrestricted Intergovernmental	696,500	797,942	101,442
Permits and Fees			
Planning Fees		28,170	
Miscellaneous		12,237	
Total Permits and Fees	17,000	40,407	23,407
Sales and Service			
Recreation Fees		30,286	
Miscellaneous		-	
Total Sales and Service	40,000	30,286	(9,714)
Investment Earnings			
General		104,618	
Total Investment Earnings	90,000	104,618	14,618
Miscellaneous			
Donations		-	
Other		54,894	
Total Miscellaneous	14,225	54,894	40,669
Total Revenues	1,294,725	1,483,410	188,685

TOWN OF SUMMERFIELD, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
General Government			
Governing Body			
Salaries and Employee Benefits		16,211	
Other Expenditures		22,654	
Total Governing Body	41,697	38,865	2,832
Professional Services			
Salaries and Employee Benefits		-	
Other Expenditures		121,767	
Total Professional Services	139,500	121,767	17,733
Administration			
Salaries and Employee Benefits		353,564	
Other Expenditures		47,988	
Capital Outlay		6,341	
Total Administration	453,078	407,893	45,185
Public Property/Buildings			
Salaries and Employee Benefits		-	
Other Expenditures		32,443	
Capital Outlay		246,607	
Total Public Property/Buildings	710,700	279,050	431,650
Total General Government	1,344,975	847,575	497,400
Planning and Zoning			
Salaries and Employee Benefits		114,889	
Other Expenditures		37,641	
Capital Outlay		1,597	
Total Planning and Zoning	272,775	154,127	118,648
Planning Boards			
Salaries and Employee Benefits		-	
Other Expenditures		663	
Total Planning Boards	3,050	663	2,387

TOWN OF SUMMERFIELD, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Cultural and Recreation			
Salaries and Employee Benefits		125,606	
Other Expenditures		136,412	
Capital Outlay		30,463	
Total Cultural and Recreation	428,050	292,481	135,569
Community Services and Committees			
Salaries and Employee Benefits		-	
Other Expenditures		50,331	
Capital Outlay		34,769	
Total Community Services and Committees	114,850	85,100	29,750
Total Expenditures	2,163,700	1,379,946	783,754
Excess (Deficiency) of Revenues Over (Under) Expenditures	(868,975)	103,464	972,439
Other Financing Sources (Uses)			
Sale of Capital Assets		-	-
Installment Purchase Obligations Issued			-
Total Other Financing Sources (Uses)	-	-	-
Fund Balance Appropriated	868,975	-	(868,975)
Net Change in Fund Balance	\$ -	103,464	\$ 103,464
Fund Balance - Beginning of Year		7,045,252	
Fund Balance - End of Year		\$ 7,148,716	

Other Schedules

TOWN OF SUMMERFIELD, NORTH CAROLINA

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2021

Fiscal Year	Uncollected Balance 7-1-20	Additions and Adjustments	Collections and Credits	Uncollected Balance 6-30-21
2020-21	\$ -	\$ 449,816	\$ 448,832	\$ 984
2019-20	1,103	-	783	320
2018-19	396	-	124	272
2017-18	264	-	53	211
2016-17	155	-	3	152
2015-16	140	-	9	131
2014-15	130	-	-	130
2013-14	291	-	3	288
2012-13	341	-	4	337
2011-12	439	-	12	427
2010-11	206	-	2	204
2009-10	-	-	-	-
	<u>\$ 3,465</u>	<u>\$ 449,816</u>	<u>\$ 449,825</u>	<u>3,456</u>

Less: Allowance for Uncollectible Accounts:

General Fund

2,696

Ad Valorem Taxes Receivable - Net

\$ 760Reconciliation with Revenues

Ad Valorem Taxes - General Fund

455,263

Reconciling Items:

Interest and Penalties Collected

(5,435)

Taxes Released/Adjustments

(3)

Taxes Written Off

-

Total Collections and Credits

\$ 449,825

TOWN OF SUMMERFIELD, NORTH CAROLINA

Analysis of Current Tax Levy

Town-Wide Levy

June 30, 2021

	Town-Wide		Total Levy	
	Property Valuation	Rate Per \$100	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:				
Property Taxed at				
Current Year's Rate	\$ 1,635,695,527	0.0275	\$ 449,816	\$ 403,885
Penalties	-			\$ 45,931
	<u>1,635,695,527</u>		<u>449,816</u>	<u>403,885</u>
				<u>45,931</u>
Discoveries:				
Current Year Taxes	-	0.0275	-	-
Penalties	-		-	-
	<u>-</u>		<u>-</u>	<u>-</u>
Abatements:				
Property Taxes -				
Current Year's Rate	-	0.0275	-	-
	<u>-</u>		<u>-</u>	<u>-</u>
Total Property Valuations	<u>\$ 1,635,695,527</u>			
Net Levy			449,816	403,885
				45,931
Uncollected Taxes at June 30, 2021			984	984
				-
Current Year's Taxes Collected			<u>\$ 448,832</u>	<u>\$ 402,901</u>
			<u>\$ 45,931</u>	
Current Levy Collection Percentage			<u>99.78%</u>	<u>99.76%</u>
			<u>100.00%</u>	

