
TOWN OF SUMMERFIELD

Financial Statements, Supplemental Schedules,
and Independent Auditor's Report
For the Year Ended June 30, 2023

C. Randolph CPA, PLLC
Certified Public Accountant

TOWN OF SUMMERFIELD

Town Officials

Town Council Members

Tim Sessoms
Mayor

Lynne DeVaney, Mayor Pro-tem

Jeff Davis

John Doggett

Janelle Robinson

Reece Walker

Administrative and Financial Staff

Scott Whitaker
Town Manager

Dee Hall
Finance Officer

TOWN OF SUMMERFIELD

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Independent Auditor's Report

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

Report on the Audit of Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Summerfield (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Summerfield, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Summerfield and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Town of Summerfield's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but it not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Town of Summerfield's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Summerfield's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

C. Randolph CPA, PLLC

West Jefferson, North Carolina

November 30, 2023

Management's Discussion and Analysis

As management of Town of Summerfield, we offer readers of Town of Summerfield's financial statements this narrative overview and analysis of the financial activities of Town of Summerfield for the fiscal year ended June 30, 2023. 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.

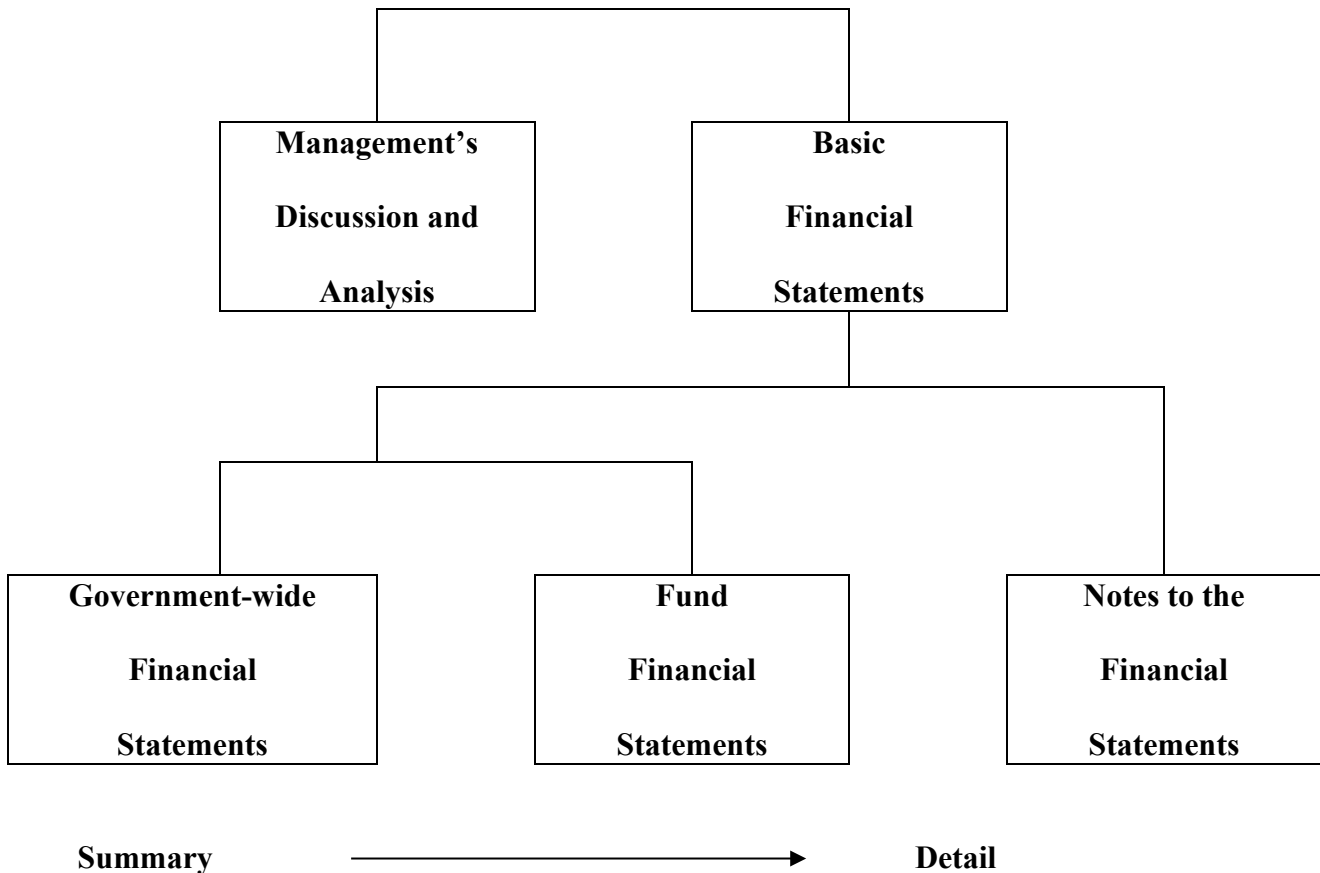
Financial Highlights

- The assets and deferred outflows of resources of Town of Summerfield exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$15,121,726 (net position).
- The Town's total net position increased by \$679,940.
- As of the close of the current fiscal year, Town of Summerfield's governmental funds reported combined ending fund balances of \$7,939,975 with a net increase of \$866,685 in fund balance. Approximately 3% of this total amount, or \$203,770 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,730,497, or 490% 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 Town of Summerfield.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the 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 North Carolina General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, 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 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, transportation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The town has no business-type activities.

The government-wide financial statements are Exhibits 1 and 2 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 the Town of Summerfield 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* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps 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.

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

Proprietary Funds – The town has no proprietary funds.

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.

Interdependence with Other Entities - Town of Summerfield 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

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Current and other assets	\$8,015,929	\$7,561,412
Capital assets	7,388,755	7,565,579
Deferred outflows of resources	<u>242,162</u>	<u>176,042</u>
Total assets and deferred outflows of resources	<u>15,646,846</u>	<u>15,303,033</u>
Long-term liabilities outstanding	423,608	162,524
Other liabilities	75,137	216,129
Deferred inflows of resources	<u>26,375</u>	<u>891,989</u>
Total liabilities and deferred inflows of resources	<u>525,120</u>	<u>1,270,642</u>
Net position:		
Net investment in capital assets	7,388,755	7,565,579
Restricted	203,770	192,050
Unrestricted	<u>7,529,201</u>	<u>6,274,762</u>
Total net position	<u>\$15,121,726</u>	<u>\$14,032,391</u>

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 Town of Summerfield exceeded liabilities and deferred inflows by \$15,121,726 as of June 30, 2023. The Town’s net position increased by \$679,940 for the fiscal year ended June 30, 2023. However, the largest portion (49%) reflects the Town’s net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Summerfield uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Town of Summerfield’s net position, \$203,770, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$7,529,201 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.81%.
- Expenses decreased.

**Town of Summerfield’s Changes in Net Position
Figure 3**

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 65,670	\$ 74,586
Operating grants and contributions	666,081	-
General revenues:		
Property taxes	555,864	458,519
Other taxes	778,151	814,543
Investment earnings	173,613	67,700
Other	<u>-</u>	<u>83,519</u>
Total revenues	<u>2,239,379</u>	<u>1,498,867</u>
<u>Expenses:</u>		
General government	1,044,741	839,921
Planning and zoning	106,214	347,139
Board of adjustments	814	1,243
Cultural and recreation	356,653	339,193
Community services and committees	<u>51,017</u>	<u>59,598</u>
Total expenses	<u>1,559,439</u>	<u>1,587,094</u>
Increase (decrease) in net position	679,940	(88,227)
Net position, July 1, as previously reported	14,032,391	14,120,618
Prior period adjustment	<u>409,395</u>	<u>-</u>
Net position - June 30, as restated	<u>\$15,121,726</u>	<u>\$14,032,391</u>

Governmental Activities – Governmental activities increased the Town’s net position by \$679,940.

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 Town of Summerfield' governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing 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, the Town of Summerfield's fund balance available in the general fund was \$6,730,497 while total fund balance reached \$7,904,569. The Town currently has an available fund balance of 490% of General Fund expenditures, while total fund balance represents 576% of the same amount.

At June 30, 2023, the governmental funds of Town of Summerfield reported a combined fund balance of \$7,939,975, with a net increase in fund balance of \$866,685.

General Fund Budgetary Highlights - During the fiscal year, the Town revised the budget three times. 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.

There were several reasons the town revised its budget throughout the year. The Town amended the budget to accurately reflect changes in expenditures in the General Fund.

Capital Assets - Town of Summerfield's investment in capital assets for its governmental activities as of June 30, 2023, totals \$7,388,755 (net of accumulated depreciation). These assets include land, buildings, vehicles, park facilities, and equipment.

The major capital outlay expenditures were as follows:

- Laser grading at SAP
- Duke Energy lights
- Atcom phone system
- Server storage

**Town of Summerfield's Capital Assets
(Net of Accumulated Depreciation)**

Figure 4

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Land	\$2,647,045	\$ 3,156,246
Buildings and improvements	1,190,633	2,360,695
Land Improvements	2,064,059	2,037,660
Vehicles	51,887	-
Office Furniture and Equipment	26,683	10,958
Construction in Progress	<u>1,408,448</u>	<u>-</u>
Total	<u>\$7,388,755</u>	<u>\$ 7,565,579</u>

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

Town of Summerfield's Outstanding Long-Term Liabilities

Figure 5

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Compensated absences	\$ 57,479	\$ 45, 204
Pension related debt (LGERS)	<u>366,129</u>	<u>117,320</u>
Total	<u>\$423,608</u>	<u>\$162,524</u>

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Summerfield is \$16,031,738. The Town of Summerfield does not have any authorized but un-issued debt at June 30, 2023.

Additional information regarding the Town of Summerfield's long-term liabilities can be found 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:

- Town staff is comprised of professional personnel who participate in professional development.
- Consumer spending in Guilford County is expected to increase; therefore, the Town anticipates that sales tax collections will continue to increase.
- Although interest on investments has brought in higher-than-expected revenue, rates are expected to level out; and as the town completes capital projects, interest revenue will slightly fall in the coming fiscal years. Alcoholic beverage taxes are expected to return to pre-pandemic levels following several years of elevated income.
- The Town anticipates that ad valorem tax collections will continue to increase due to property value appreciation and a high collection rate. However, if a threatened 973 acres are de-annexed from the Town, it will greatly impact future tax revenues.

Budget Highlights for the Fiscal Year Ending June 30, 2024

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 a property tax of \$.0275 per \$100 of assessed value for the fiscal year ending June 30, 2024. The tax base is approximately \$2.042 billion.
- Budgeted expenditures in the General Fund are \$4,731,732.00 during the fiscal year ending June 30, 2024. Capital projects include Bandera Farms Park Development (\$1.5M), A&Y Greenway Development (\$750,000), Water Development (\$350,000), a bridge replacement at our Community Park (\$250,000), and a Comprehensive Plan Update (\$35,000).

Requests for Information

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 the Town Manager, Scott Whitaker, Town of Summerfield, PO Box 970, Summerfield, NC 27358. You can also call (336) 643-8655 for more information.

**BASIC FINANCIAL
STATEMENTS**

TOWN OF SUMMERFIELD**Exhibit 1****Statement of Net Position
June 30, 2023**

	Governmental Activities
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 7,806,804
Taxes receivable (net)	817
Accounts receivable	6,429
Due from other governments	155,804
Prepaid expenses	6,131
Restricted cash and cash equivalents	39,944
Total current assets	<u>8,015,929</u>
Noncurrent assets:	
Capital assets:	
Land, non-depreciable improvements	3,511,118
Other capital assets, net of depreciation	3,877,637
Total capital assets	<u>7,388,755</u>
Total assets	<u>15,404,684</u>
Deferred outflows of resources:	
Pension deferrals	<u>242,162</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	<u>75,137</u>
Total current liabilities	<u>75,137</u>
Long-term liabilities:	
Net pension liability	366,129
Due in more than one year	57,479
Total long-term liabilities	<u>423,608</u>
Total liabilities	<u>498,745</u>
Deferred inflows of resources	
Pension deferrals	<u>26,375</u>
<u>Net Position</u>	
Net investment in capital assets	7,388,755
Restricted for:	
Stabilization by State Statute	163,826
Other	4,538
ARPA funds	35,406
Unrestricted	<u>7,529,201</u>
Total net position	<u>\$ 15,121,726</u>

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

TOWN OF SUMMERFIELD

Exhibit 2

**Statement of Activities
For the Year Ended June 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>
Primary government:					
Governmental Activities:					
General government	\$ 1,044,741	\$ -	\$ 666,081	\$ -	\$ (378,660)
Planning and zoning	106,214	23,304	-	-	(82,910)
Planning boards	814	-	-	-	(814)
Cultural and recreation	356,653	42,366	-	-	(314,287)
Community services and communities	51,017	-	-	-	(51,017)
Total primary government	\$ 1,559,439	\$ 65,670	\$ 666,081	\$ -	(827,688)
General revenues:					
Taxes:					
					555,864
					194,301
					583,850
					173,613
					1,507,628
					679,940
					14,032,391
					409,395
					\$ 15,121,726

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

TOWN OF SUMMERFIELD

Exhibit 3

**Balance Sheet
Governmental Funds
June 30, 2023**

	Major Fund		
	General	American	
	Fund	Rescue Plan	
	Fund	Fund	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 7,806,804	\$ -	\$ 7,806,804
Taxes receivable, net	817	-	817
Accounts receivable	6,429	-	6,429
Due from other governments	155,804	-	155,804
Prepaid expenses	6,131	-	6,131
Restricted cash and cash equivalents	4,538	35,406	39,944
Total assets	\$ 7,980,523	\$ 35,406	\$ 8,015,929
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 75,137	\$ -	\$ 75,137
Total liabilities	75,137	-	75,137
<u>Deferred inflows of resources</u>			
Property taxes receivable	817	-	817
Total deferred inflows of resources	817	-	817
<u>Fund balances</u>			
Restricted:			
Stabilization by State Statute	163,826	-	163,826
Other	4,538	-	4,538
ARPA funds	-	35,406	35,406
Assigned:			
Subsequent year's expenditures	1,005,708	-	1,005,708
Unassigned	6,730,497	-	6,730,497
Total fund balances	7,904,569	35,406	7,939,975
Total liabilities, deferred inflows of resources and fund balances	\$ 7,980,523	\$ 35,406	\$ 8,015,929

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

TOWN OF SUMMERFIELD

Exhibit 4

**Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2023**

Total fund balances, governmental fund	\$ 7,939,975
 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	\$ 12,006,795
Accumulated depreciation	<u>(4,618,040)</u> 7,388,755
 Deferred outflows of resources related to pensions are not reported in the funds	
	242,162
 Liabilities for earned revenues are considered deferred inflows of resources in fund statements	
Property taxes receivable	817
 Deferred inflows of resources related to pensions are not reported in the funds	
	(26,375)
 Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(57,479)
Net pension liability	<u>(366,129)</u> <u>(423,608)</u>
 Net position of governmental activities	
	<u>\$ 15,121,726</u>

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

TOWN OF SUMMERFIELD**Exhibit 5****Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year ended June 30, 2023**

	<u>Major Fund</u> <u>General</u> <u>Fund</u>
Revenues:	
Ad valorem taxes	\$ 555,996
Unrestricted intergovernmental revenues	778,151
Restricted intergovernmental revenues	666,081
Permits and fees	23,304
Program revenue	42,367
Investment earnings	<u>173,613</u>
 Total revenues	 <u>2,239,512</u>
 Expenditures:	
General government	858,128
Planning and zoning	106,214
Planning boards	814
Cultural and recreation	356,653
Community services and committees	<u>51,017</u>
 Total expenditures	 <u>1,372,826</u>
 Net change in fund balances	 866,685
 Fund balances, beginning, as previously reported	 6,628,489
Prior period adjustment	<u>409,395</u>
Fund balances, ending	<u>\$ 7,904,569</u>

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

TOWN OF SUMMERFIELD

Exhibit 6

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023**

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

Net changes in fund balances - total governmental funds	\$ 866,685
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay expenditures which were capitalized	294,297
Depreciation expense for governmental assets	(435,480)
Contributions to the pension plan in the current year are not included on the Statement of Activities	63,621
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenue for tax revenues	(132)
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 the governmental funds:	
Pension expense	(96,776)
Compensated absences	<u>(12,275)</u>
Total changes in net position of governmental activities	<u>\$ 679,940</u>

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

TOWN OF SUMMERFIELD**Exhibit 7****General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 503,000	\$ 503,000	\$ 555,996	\$ 52,996
Unrestricted intergovernmental revenues	801,500	801,500	778,150	(23,350)
Restricted intergovernmental revenues	636,487	751,487	666,081	(85,406)
Permits and fees	36,000	36,000	23,304	(12,696)
Program revenue	49,725	49,725	42,367	(7,358)
Investment earnings	<u>100,000</u>	<u>100,000</u>	<u>173,613</u>	<u>73,613</u>
Total revenues	<u>2,126,712</u>	<u>2,241,712</u>	<u>2,239,511</u>	<u>(2,201)</u>
Expenditures:				
General government	1,109,812	1,224,812	858,128	366,684
Planning and zoning	298,150	298,150	106,214	191,936
Planning boards	2,500	2,500	814	1,686
Cultural and recreation	637,650	637,650	356,653	280,997
Community services and committees	<u>78,600</u>	<u>78,600</u>	<u>51,017</u>	<u>27,583</u>
Total expenditures	<u>2,126,712</u>	<u>2,241,712</u>	<u>1,372,826</u>	<u>868,886</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>866,685</u>	<u>866,685</u>
Other Financing Sources (Uses):				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	866,685	<u>\$ 866,685</u>
Fund balance-beginning, as previously reported			6,628,489	
Prior period adjustment			<u>409,395</u>	
Fund balance - ending			<u>\$ 7,904,569</u>	

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

TOWN OF SUMMERFIELD

Notes to the Financial Statements For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

Town of Summerfield, North Carolina 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. 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. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and 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 general government, cultural and recreational services, and planning and zoning.

American Rescue Plan Fund: - This fund accounts for the transactions related to the American Rescue Plan Funds.

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: 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 in 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 (a) charges to customers or applicants for goods, services, or privileges provided, (b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than 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 revenue because the amount is not susceptible to accrual. On 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 the limited registration plates are shown as receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, collected and held by the State at the 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 the program expenses are incurred, there are 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 and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Capital Projects Fund and the ARPA Special Revenue Fund, which is consolidated with the operating funds for reporting purposes. 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 multi-year funds. All amendments must be approved by the governing board and the 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 reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The 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. 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
Town Hall donations	1,500
Community Center renovation	650
American Rescue fund	<u>35,406</u>
Total Restricted Cash	<u>\$39,944</u>

4. Ad Valorem Taxes Receivable

In accordance with State Law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values of January 1, 2021. 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.

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 \$5,000 for land, building, improvements, infrastructure, furniture, equipment, and vehicles. Purchased or constructed capital assets are reported at the cost of estimated historical cost. 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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	15 to 50
Buildings	15 to 50
Land Improvements	15 to 50
Vehicles	3 to 10
Furniture and Fixture	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 no items that meet this criterion. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meets the criterion for this category - property taxes receivable, prepaid taxes, deferred grants, and pension deferrals.

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 thirty days of accumulated leave shall have the excess accumulation converted to sick leave so that only thirty days of vacation time is carried forward to January 1 of the next calendar. For the Town's government-wide funds, and 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 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.

11. 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 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 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), this 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 non-spendable. 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.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town’s governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

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

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

Unassigned Fund Balance - the 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 and local non-city funds, city 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.

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 their name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the 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, 2023, the Town's deposits had a carrying amount of \$7,112,953, and a bank balance of \$7,208,826. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2023, the Town's petty cash fund was \$150.

2. Investments

At June 30, 2023, the Town of Summerfield had \$733,645 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 rate of at least one nationally recognized rating service and not bearing a rating below the highest (A1, P1, F1) by any nationally
- e. recognized rating service which rates the particular obligation.
- f. 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.

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 a 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 a maturity greater than four (4) years.

3. Receivables - Allowance for Doubtful Accounts

The amounts presented in the fund Balance Sheet and the Statement of Net Position for the year ended June 30, 2023, are net of the following allowances for doubtful accounts:

Fund	
General Fund:	
Taxes receivable	<u>\$ 2,257</u>
Total General Fund	<u>\$ 2,257</u>

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2023, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$3,156,246	\$ -	\$509,201	\$2,647,045
Construction in progress	<u>-</u>	<u>864,073</u>	<u>-</u>	<u>864,073</u>
Total capital assets not being depreciated	<u>3,156,246</u>	<u>864,073</u>	<u>-</u>	<u>3,511,118</u>
Capital assets being depreciated:				
Buildings and Improvements	2,841,001	-	766,336	2,074,665
Land improvements	5,301,970	611,982	-	5,913,952
Office furniture and equipment	415,507	-	13,496	402,011
Vehicles	<u>33,415</u>	<u>71,634</u>	<u>-</u>	<u>105,049</u>
Total capital assets being depreciated	<u>8,591,893</u>	<u>683,616</u>	<u>779,832</u>	<u>8,495,677</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$480,286	\$ 59,855	\$ -	\$ 540,141
Land improvements	3,264,310	350,328	-	3,614,638
Office furniture and equipment	404,549	22,006	-	426,555
Vehicles	<u>33,415</u>	<u>3,291</u>	<u>-</u>	<u>36,706</u>
Total accumulated depreciation	<u>4,182,560</u>	<u>435,480</u>	<u>-</u>	<u>4,618,040</u>
Total capital assets being depreciated, net	<u>4,409,333</u>			<u>3,877,637</u>
Governmental activity capital assets, net	<u>\$7,565,579</u>			<u>\$7,388,755</u>

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

General Government	\$ 34,838
Planning and Zoning	391,932
Recreation	<u>8,710</u>
Total	<u>\$435,480</u>

B. Liabilities

1. Pension Plan Obligations

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 (LEOSs) 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 year 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.

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, 2023, was 12.10% for general employees, actuarially determined as an amount that, when combined with employees’ 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 \$63,621 for the year ended June 30, 2023.

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, 2023, the Town reported a liability of \$366,129 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions. 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, actually determined. At June 30, 2023 (measurement date), the Town’s proportion was 0.00649%, which was an decrease of 0.00116% from its proportion measures as of June 30, 2022.

a. Local Governmental Employees’ Retirement System

For the year ended June 30, 2023, the Town recognized pension expense of \$96,776. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$15,776	\$1,547
Changes of assumptions	36,531	-
Net difference between projected and actual earning on pension plan investments	121,009	-

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and difference between Town contributions and proportionate share of contributions	\$ 5,225	\$24,828
Town contributions subsequent to the measurement date	<u>63,621</u>	<u>-</u>
Total	<u>\$242,162</u>	<u>\$26,375</u>

\$63,621 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, 2023. 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:	
2024	\$46,748
2025	41,040
2026	6,728
2027	57,651
2028	-
Thereafter	<u>-</u>
	<u>\$152,167</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021, 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	6.50 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 statuses (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, 2021, valuation was 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.

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 weighing 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, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>6.0%</u>	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 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 calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan member 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 6.50 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate.

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$660,815	\$366,129	\$123,290

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.

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resource Related to Pensions

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

	<u>LGERS</u>
Pension Expense	\$96,776
Pension Liability	366,129
Proportionate share of the net pension liability	0.00649%

Deferred Outflows of Resources:

Difference between expected and actual experience	15,776
Changes of assumptions	36,531
Net difference between projected and actual earnings on plan investments	121,009
Changes in proportion and difference between contributions and proportionate share of contributions	5,225
Benefit payments and administrative costs paid subsequent to the measurement date	63,621

Deferred Inflows of Resources:

Differences between expected and actual experience	1,547
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	24,828

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 \$15,774 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 are compromised of the following:

Contributions to pension plan in current fiscal year	\$ 63,621
Difference between expected and actual experience	15,776
Changes of assumptions	36,531
Net difference between projected and actual	121,009
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>5,225</u>
Total	<u>\$242,162</u>

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

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Taxes Receivable (General Fund)	\$ -	\$ 817
Difference between expected and actual experience	1,547	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>24,828</u>	<u>-</u>
Total	<u>\$26,375</u>	<u>\$ 817</u>

III. 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 carries commercial general liability coverage of \$1,000,000 per occurrence and public officials E&O of \$1,000,000 per occurrence. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not carry flood insurance, as the Town is not in an area of the State designated as a flood plain, and the expense does not warrant the purchase of coverage.

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.

1. 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	\$7,904,569
Less:	
Stabilization by State Statute	163,826
Other	4,538
Appropriated fund balance in 2024 budget	<u>1,005,708</u>
Remaining fund balance	<u>\$6,730,497</u>

2. Claims, Judgements and Contingent Liabilities

At June 30, 2023, 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.

3. Long-Term Obligations

a. Changes in Long-Term Liabilities

Governmental activities:	Balance	Increases	Decreases	Balance	Current Portion of Balance
Net Pension liability (LGERS)	\$117,320	\$248,809	\$ -	\$366,129	\$ -
Compensated absences	<u>45,204</u>	<u>12,275</u>	<u>-</u>	<u>57,479</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$162,524</u>	<u>\$261,084</u>	<u>\$ -</u>	<u>\$423,608</u>	<u>\$ -</u>

Compensated absences typically have been liquidated in the General Fund.

4. Net Investment in Capital Assets

	<u>Governmental</u>
Capital Assets	\$7,388,755
Less: long-term debt	-
Add: unexpended debt proceeds	<u>-</u>
Net Investment in Capital Assets	<u>\$7,388,755</u>

IV. 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 Commission’s governing board, and each participating Town appoints one member to the Commission’s

governing board. The Town paid membership fees of \$2,300 to the Commission during the fiscal year ended June 30, 2023.

V. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several Federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant money 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 monies.

VI. Prior Period Adjustment

A prior period adjustment was made in the amount of \$409,395 due to capital assets not being reported correctly.

VII. Significant Effects of Subsequent Events

Management has evaluated subsequent events through November 30, 2023, the date on which the financial statements were available to be issued and concluded that the following subsequent event has occurred that would require recognition or disclosure in these financial statements:

**INDIVIDUAL FUND
STATEMENTS AND
OTHER SCHEDULES**

TOWN OF SUMMERFIELD

Schedule 1

**Town of Summerfield's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years*
Local Government Employees' Retirement System (LGERS)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Proportion of the net pension liability (asset) (%)	0.00649%	0.00765%	0.00700%	0.00618%	0.00798%	0.00698%	0.00550%	0.00511%	0.00418%	0.00460%
Proportion of the net pension liability (asset) (\$)	\$ 366,129	\$ 117,320	\$ 250,140	\$ 168,771	\$ 189,313	\$ 106,635	\$ 116,728	\$ (22,933)	\$ (24,651)	\$ 55,448
Town of Hudson's covered-employee payroll	\$ 490,659	\$ 471,298	\$ 422,275	\$ 401,289	\$ 432,410	\$ 370,550	\$ 317,025	\$ 313,777	\$ 243,581	\$ 235,695
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	74.62%	24.89%	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**	84.14%	95.51%	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. Pension schedules are intended to show information for ten years, additional years' information will be displayed as it comes available.

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

TOWN OF SUMMERFIELD

Schedule 2

**Town of Summerfield's Contributions
Required Supplementary Information
Last Ten Fiscal Years
Local Government Employees' Retirement System (LGERS)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 63,621	\$ 55,690	\$ 47,837	\$ 37,794	\$ 31,124	\$ 32,431	\$ 26,865	\$ 21,145	\$ 22,184	\$ 17,221
Contributions in relation to the contractually required contributions	<u>63,621</u>	<u>55,690</u>	<u>47,837</u>	<u>37,794</u>	<u>31,124</u>	<u>32,431</u>	<u>26,865</u>	<u>21,145</u>	<u>22,184</u>	<u>17,221</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Hudson's covered employee payroll	\$ 549,352	\$ 490,659	\$ 471,298	\$ 422,275	\$ 401,289	\$ 432,410	\$ 370,550	\$ 317,025	\$ 313,777	\$ 243,581
Contributions as a percentage of covered-employee payroll	11.58%	11.35%	10.15%	8.95%	7.76%	7.50%	7.25%	6.67%	7.07%	7.07%

TOWN OF SUMMERFIELD

Schedule 3

Page 1 of 3

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>		<u>Variance</u>	<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes:				
Taxes	\$ 503,000	\$ 551,511	\$ 48,511	\$ 452,826
Penalties and interest	-	4,485	4,485	5,763
Total	<u>503,000</u>	<u>555,996</u>	<u>52,996</u>	<u>458,589</u>
Unrestricted intergovernmental revenues:				
Local option sales tax	186,500	194,301	7,801	182,145
Utilities franchise tax	375,000	406,710	31,710	406,537
ABC distribution	175,000	118,507	(56,493)	174,047
Beer and wine tax	56,000	49,779	(6,221)	43,542
Solid waste disposal tax	9,000	8,854	(146)	8,272
Total	<u>801,500</u>	<u>778,151</u>	<u>(23,349)</u>	<u>814,543</u>
Restricted intergovernmental revenues:				
American Rescue Plan	701,487	666,081	(35,406)	-
Rural Development grant	50,000	-	(50,000)	-
Total	<u>751,487</u>	<u>666,081</u>	<u>(85,406)</u>	<u>-</u>
Permits and fees				
Planning fees	34,000	19,055	(14,945)	36,862
Miscellaneous	2,000	4,249	2,249	1,320
Total	<u>36,000</u>	<u>23,304</u>	<u>(12,696)</u>	<u>38,182</u>
Program revenue				
Recreation fees	44,500	31,299	(13,201)	36,404
Total	<u>44,500</u>	<u>31,299</u>	<u>(13,201)</u>	<u>36,404</u>
Investment earnings	<u>100,000</u>	<u>173,613</u>	<u>73,613</u>	<u>67,700</u>

cont.

TOWN OF SUMMERFIELD

Schedule 3

Page 2 of 3

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)**

	<u>2023</u>		Variance Positive (Negative)	2022 Actual
	<u>Budget</u>	<u>Actual</u>		
Miscellaneous				
Donations and Founders' Day revenue	\$ 4,725	\$ 9,568	\$ 4,843	\$ 16,224
Other	<u>500</u>	<u>1,500</u>	<u>1,000</u>	<u>5,220</u>
Total	<u>5,225</u>	<u>11,068</u>	<u>5,843</u>	<u>21,444</u>
 Total Revenues	 <u>2,241,712</u>	 <u>2,239,512</u>	 <u>(2,200)</u>	 <u>1,436,862</u>
Expenditures:				
General Government				
Salaries and employee benefits	624,970	505,387	119,583	452,002
Other expenditures	334,142	308,107	\$ 26,035	367,008
Capital outlay	<u>265,700</u>	<u>44,634</u>	<u>\$ 221,066</u>	<u>253,280</u>
Total general government	<u>1,224,812</u>	<u>858,128</u>	<u>366,684</u>	<u>1,072,290</u>
 Planning and Zoning				
Salaries and employee benefits	194,500	92,403	102,097	90,687
Other expenditures	61,650	13,811	47,839	39,597
Capital outlay	<u>42,000</u>	<u>-</u>	<u>42,000</u>	<u>66,921</u>
Total planning and zoning	<u>298,150</u>	<u>106,214</u>	<u>191,936</u>	<u>197,205</u>
 Planning Boards	 <u>2,500</u>	 <u>814</u>	 <u>1,686</u>	 <u>1,243</u>
Total planning boards	<u>2,500</u>	<u>814</u>	<u>1,686</u>	<u>1,243</u>
 Cultural and Recreation				
Salaries and employee benefits	179,500	169,187	10,313	146,661
Other expenditures	222,150	187,466	34,684	186,102
Capital outlay	<u>236,000</u>	<u>-</u>	<u>236,000</u>	<u>288,422</u>
Total cultural and recreation	<u>637,650</u>	<u>356,653</u>	<u>280,997</u>	<u>621,185</u>

cont.

TOWN OF SUMMERFIELD

Schedule 3
Page 3 of 3, cont.

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>		<u>Variance</u>	<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
			<u>(Negative)</u>	
Community Services and Committees				
Other expenditures	\$ 78,600	\$ 51,018	\$ 27,582	\$ 59,598
Capital outlay	-	-	-	5,643
Total community services and committees	<u>78,600</u>	<u>51,018</u>	<u>27,582</u>	<u>65,241</u>
Total expenditures	<u>2,241,712</u>	<u>1,372,827</u>	<u>868,885</u>	<u>1,957,164</u>
Revenues over (under) expenditures	<u>-</u>	<u>866,685</u>	<u>866,685</u>	<u>(520,302)</u>
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	75
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>866,685</u>	<u>\$ 866,685</u>	<u>(520,227)</u>
Fund balance-beginning, as previously reported		6,628,489		7,148,716
Prior period adjustment		409,395		-
Fund balance - ending, as restated		<u>\$ 7,904,569</u>		<u>\$ 6,628,489</u>

TOWN OF SUMMERFIELD

Schedule 4

**Schedule of Ad Valorem Taxes Receivable
June 30, 2023**

<u>Fiscal year:</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-2023	\$ -	\$ 551,091	\$ 550,047	\$ 1,044
2021-2022	899		427	472
2020-2021	301	-	118	183
2019-2020	207	-	38	169
2018-2019	186	-	11	175
2017-2018	156	-	11	145
2016-2017	134	-	7	127
2015-2016	107	-	6	101
2014-2015	118	-	9	109
2013-2014	264	-	15	249
2012-2013	312	-	12	300
2011-2012	405	-	405	-
	<u>\$ 3,089</u>	<u>\$ 551,091</u>	<u>\$ 551,106</u>	3,074
Less: allowance for uncollectible accounts:				<u>(2,257)</u>
Balance				<u>\$ 817</u>
Reconcilement With Revenues:				
Ad valorem taxes - General Fund				\$ 555,996
Taxes written off				(405)
Less interest and penalties collected				<u>(4,485)</u>
Total collections and credits				<u>\$ 551,106</u>

TOWN OF SUMMERFIELD

Schedule 5

**Analysis of Current Tax Levy
Town -Wide Levy
June 30, 2023**

	<u>Town-Wide</u>		<u>Total Levy</u>		
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxes at current year's rate	\$ 200,396,727	0.0275	\$ 551,091	\$ 500,368	\$ 50,723
Registered motor vehicles at current year's rate	<u>-</u>	0.0275	<u>-</u>	<u>-</u>	<u>-</u>
Total property valuation	<u>\$ 200,396,727</u>		<u>\$ 551,091</u>	<u>\$ 500,368</u>	<u>\$ 50,723</u>
Net levy			\$ 551,091	\$ 500,368	\$ 50,723
Uncollected taxes at June 30, 2023			<u>(1,044)</u>	<u>(1,044)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 550,047</u>	<u>\$ 499,324</u>	<u>\$ 50,723</u>
Current levy collection percentage			<u>99.81%</u>	<u>99.79%</u>	<u>100.00%</u>