



**Darrell L. Keller, CPA, PA**

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**TOWN OF EARL  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**(704) 739-0771**

**Town of Earl, North Carolina**  
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**June 30, 2020**

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**FINANCIAL SECTION**

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council  
Town of Earl  
Earl, North Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Earl, North Carolina as of and for the year ended June 30, 2020, 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 from 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 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, each major fund, and the aggregate remaining fund information of Town of Earl, North Carolina, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

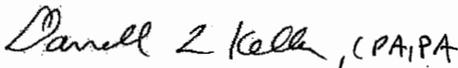
### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–10 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 my 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 Town of Earl, North Carolina's basic financial statements. The individual fund financial 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 individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Darrell L. Keller, CPA, PA  
Kings Mountain, North Carolina  
July 22, 2021

## Town of Earl Management's Discussion and Analysis

As management of the Town of Earl, we offer readers of the Town of Earl's financial statements this narrative overview and analysis of the financial activities of the Town of Earl for the fiscal year ended June 30, 2020. 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.

### **Financial Highlights**

- The assets and deferred outflows of resources of the Town of Earl exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$ 138,872 (*net position*).
- The government's total net position decreased by \$ 39,138.
- As of the close of the current fiscal year, the Town of Earl's governmental fund reported ending fund balance of \$115,859 a decrease of \$35,691 in comparison with the prior year. Approximately 46.3 percent of this total amount, or \$53,633, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$53,633, or 56.3 percent of total general fund expenditures for the fiscal year.

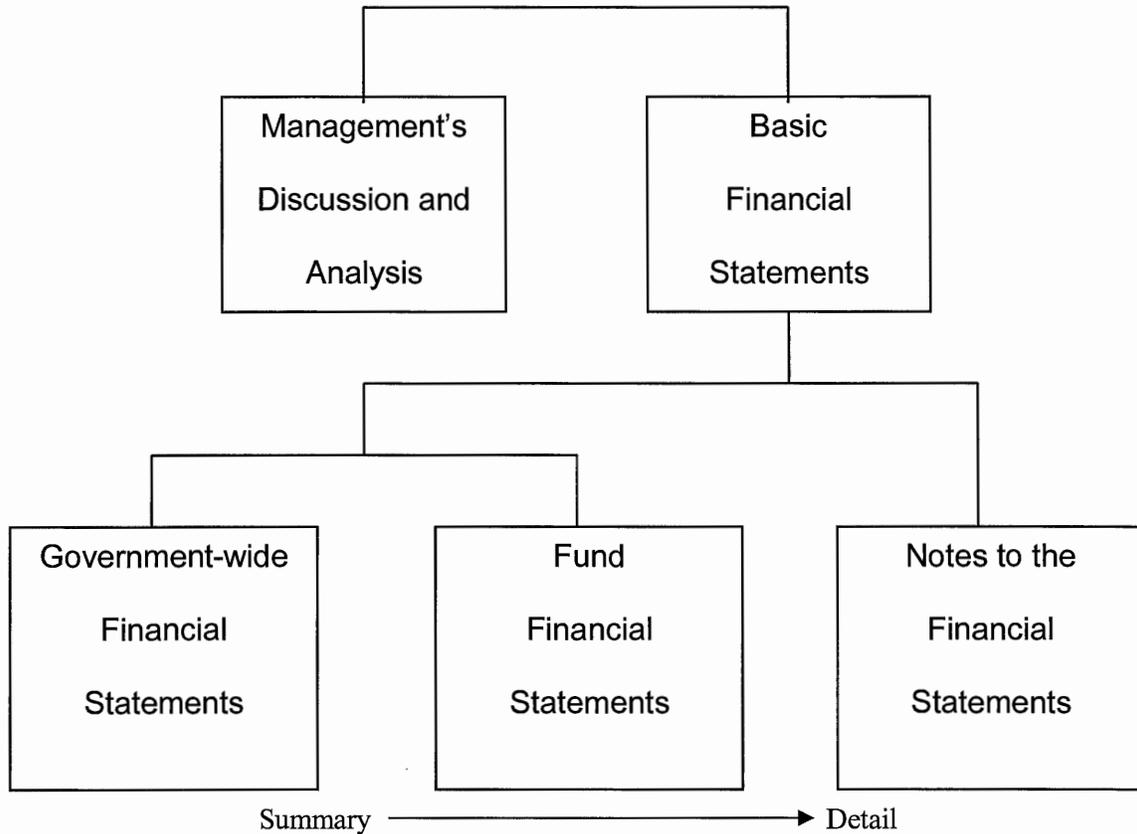
### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Town of Earl'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 Earl.

Town of Earl  
Management's Discussion and Analysis

**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 5) 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.

## Town of Earl Management's Discussion and Analysis

### **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 present one category: governmental activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities.

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

### **Fund Financial Statements**

The fund financial statements (see Figure 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 Earl, 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. The Town of Earl operates only one fund, the governmental fund.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. 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.

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

Town of Earl  
Management's Discussion and Analysis

the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – Town of Earl has no proprietary fund.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

**Government-Wide Financial Analysis**

**Town of Earl's Net Position**

**Figure 2**

	Governmental Activities	
	2020	2019
Current and other assets	\$ 121,338	\$ 157,437
Capital assets	22,457	25,850
Total assets	143,795	183,287
Long term liabilities outstanding	-	-
Other liabilities	4,923	5,277
Total liabilities	4,923	5,277
 Net Position:		
Net investment in capital assets	22,457	25,850
Restricted for Stabilization	1,551	2,003
Powell Bill	46,832	82,379
Environmental Protection	1,050	1,050
Recreation	12,793	11,199
Unrestricted	54,189	55,529
Total net position	\$ 138,872	\$ 178,010

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 Earl exceeded liabilities and deferred inflows by \$138,872 as of June 30, 2020. The Town's net position decreased by \$39,138 for the fiscal year ended June 30, 2020. However, 16% 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 Earl uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Earl's net investment in 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 Earl's net position \$62,226 (44.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$54,189 is unrestricted.

Town of Earl  
Management's Discussion and Analysis

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

- The Town received Powell Bill funds and a recreation grant but did not spend all of the funds.
- The Town's revenues and expenditures remained relatively stable.

**Town of Earl Changes in Net Position  
Figure 3**

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 19,750	\$ 11,276
General revenues:		
Property taxes	18,834	18,499
Other taxes	19,593	19,806
Unrestricted investment earnings	1,288	79
Other	26	204
Total revenues	59,491	49,864
Expenses:		
General government	23,655	28,813
Environmental Protection	17,831	19,098
Culture and recreation	14,420	11,280
Street lights	1,591	2,032
Highways/streets	41,132	12,037
Total expenses	98,629	73,260
Increase in net position	(39,138)	(23,396)
Net position, July 1	178,010	201,406
Net position, June 30	\$ 138,872	\$ 178,010

**Governmental activities.** Governmental activities decreased the Town's net position by \$39,138. Key elements of this decrease are as follows:

- Depreciation expense.
- Powell Bill expenditures.

**Business-type activities:** The Town of Earl has no business-type activities.

Town of Earl  
Management's Discussion and Analysis

**Financial Analysis of the Town's Funds**

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

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

The general fund is the chief operating fund of the Town of Earl. At the end of the current fiscal year, Town of Earl's fund balance available in the General Fund was \$53,633, while total fund balance reached \$114,809. The Governing Body of the Town of Earl has determined that the Town should maintain an available fund balance of 8% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 56.3% of general fund expenditures, while total fund balance represents 120.55% of the same amount.

**General Fund Budgetary Highlights:** During the fiscal year, the Town revised the budget as needed. 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.

**Proprietary Funds.** The Town of Earl has no proprietary fund.

Town of Earl  
Management's Discussion and Analysis

**Capital Asset and Debt Administration**

**Capital assets.** The Town of Earl's investment in capital assets for its governmental activities as of June 30, 2020, totals \$22,457 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and park facilities.

**Town of Earl's Capital Assets  
(net of depreciation)**

**Figure 4**

	Governmental Activities	
	2020	2019
Land	\$ 6,500	\$ 6,500
Buildings and system	14,489	16,190
Recreational facilities	1,464	3,078
Furniture and equipment	4	82
Total	\$ 22,457	\$ 25,850

Additional information on the Town's capital assets can be found in note III. A. 3 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2020, the Town of Earl has no outstanding debt.

**Town of Earl's Outstanding Debt  
General Obligation and Revenue Bonds**

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 Earl is \$851,422.

Town of Earl  
Management's Discussion and Analysis

**Economic Factors and Next Year's Budgets and Rates**

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

- Low unemployment. The Town of Earl unemployment rate of 4.9% is near the State average of 4.5%.

**Impact of COVID-19 on the Town**

Since the Town has no employees and has no proprietary funds COVID-19 has had minimal effect on the Town.

**Budget Highlights for the Fiscal Year Ending June 30, 2020**

**Governmental Activities:** No increase in the property tax rate is anticipated for the current year.

**Business – type Activities:** The Town of Earl has no business-type activities.

**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 Director of Finance, Town of Earl, P O Box 1, Earl, NC 28038.

## **Basic Financial Statements**

**Town of Earl, North Carolina  
Statement of Net Position  
June 30, 2020**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 22,104
Certificate of Deposit	36,452
Taxes receivables (net)	556
Due from other governments	1,551
Prepaid items	-
Restricted cash	60,675
Total current assets	121,338
Capital assets (Note 1):	
Land, non-depreciable improvements, and construction in progress	6,500
Other capital assets, net of depreciation	15,957
Total capital assets	22,457
Total assets	\$ 143,795
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 4,923
Total liabilities	4,923
<b>NET POSITION</b>	
Net investment in capital assets	22,457
Restricted for:	
Stabilization by State Statute	1,551
Streets	46,832
Recreation	12,793
Enviornmental Protection	1,050
Unrestricted	54,189
Total net position	\$ 138,872

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

Exhibit 2

**Town of Earl, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
				Primary Government
				Total Governmental Activities
<b>Primary government:</b>				
Governmental Activities:				
General government	\$ 23,655	\$ -	\$ -	\$ (23,655)
Environmental protection	17,831	-	-	(17,831)
Culture and recreation	14,420	14,373	-	(47)
Streets	41,132	5,377	-	(35,755)
Street lights	1,591	-	-	(1,591)
Total governmental activities (See Note 1)	<u>\$ 98,629</u>	<u>\$ 19,750</u>	<u>\$ -</u>	<u>(78,879)</u>

General revenues:		
Taxes:		
Property taxes, levied for general purpose		18,834
Other taxes		19,593
Unrestricted investment earnings		1,288
Miscellaneous		26
Total general revenues and transfers		<u>39,741</u>
Change in net position		(39,138)
Net position, beginning		178,010
Net position, ending		<u>\$ 138,872</u>

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

**Town of Earl  
Balance Sheet  
Governmental Funds  
June 30, 2020**

	General	Non-Major Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,104	\$ -	\$ 22,104
Certificate of Deposit	36,452	-	36,452
Restricted cash	59,625	1,050	60,675
Receivables, net:			
Taxes	556	-	556
Due from other governments	1,551	-	1,551
Prepaid items	-	-	-
Total assets	<u>\$ 120,288</u>	<u>\$ 1,050</u>	<u>\$ 121,338</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,923	\$ -	\$ 4,923
Unearned revenue	-	-	-
Total liabilities	<u>4,923</u>	<u>-</u>	<u>4,923</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes receivable	556	-	556
Fund balances:			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Stabilization by State Statute	1,551	-	1,551
Streets-Powell bill	46,832	-	46,832
Recreation	12,793	-	12,793
Environmental protection	-	1,050	1,050
Assigned:			
Subsequent year's expenditure	-	-	-
Unassigned	53,633	-	53,633
Total fund balances	<u>114,809</u>	<u>1,050</u>	<u>115,859</u>
Total liabilities and fund balances	<u>\$ 120,288</u>	<u>\$ 1,050</u>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

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

22,457

Liabilities for earned but unavailable revenues in fund statements.

556

Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds (Note 4).

Net position of governmental activities

\$ 138,872

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

**Town of Earl**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	Major Fund		Total Governmental Funds
	General Fund	Non-Major Fund	
<b>REVENUES</b>			
Ad valorem taxes	\$ 18,888	\$ -	\$ 18,888
Other taxes and licenses	19,593	-	19,593
Restricted intergovernmental	19,750	-	19,750
Investment earnings	1,288	-	1,288
Miscellaneous	26	-	26
Total revenues	59,545	-	59,545
<b>EXPENDITURES</b>			
Current:			
General government	21,876	-	21,876
Environmental protection	17,831	-	17,831
Culture and recreation	12,806	-	12,806
Powell bill expenditures	41,132	-	41,132
Street Lights	1,591	-	1,591
Capital outlay	-	-	-
Total expenditures	95,236	-	95,236
Excess (deficiency) of revenues over expenditures	(35,691)	-	(35,691)
<b>OTHER FINANCING SOURCES (USES)</b>			
Sales of capital assets	-	-	-
Capital lease obligations issued	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(35,691)	-	(35,691)
Fund Balance, beginning	150,500	1,050	151,550
Fund balances, ending	\$ 114,809	\$ 1,050	\$ 115,859

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

**Town of Earl  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2020**

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

Net changes in fund balances - total governmental funds	\$ (35,691)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period	(3,393)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Amount of donated assets	-
Change in unavailable revenue	(54)
Total changes in net position of governmental activities	\$ (39,138)

**Town of Earl**  
**General Fund and Annually Budgeted Major Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2020**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	21,337	21,337	18,888	(2,449)
Other taxes and licenses	20,000	20,000	19,593	(407)
Restricted intergovernmental	20,653	20,653	19,750	(903)
Investment earnings	700	700	1,288	588
Miscellaneous	-	-	26	26
Total revenues	62,690	62,690	59,545	(3,145)
<b>Expenditures:</b>				
Current:				
General government	23,017	23,017	21,876	1,141
Environmental protection	17,831	17,831	17,831	-
Cultural and recreation	14,000	14,000	12,806	1,194
Streets	42,000	42,000	41,132	868
Street Lights	1,592	1,592	1,591	1
Total expenditures	98,440	98,440	95,236	3,204
Revenues over (under) expenditures	(35,750)	(35,750)	(35,691)	59
<b>Other financing sources (uses):</b>				
Fund Balance Appropriated	35,750	35,750	-	(35,750)
Sales of capital assets	-	-	-	-
Total other financing sources (uses)	35,750	35,750	-	(35,750)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	(35,691)	\$ (35,691)
Fund balances, beginning			150,500	
Fund balances, ending			\$ 114,809	

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

**Town of Earl, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**I. Summary of Significant Accounting Policies**

The accounting policies of the Town of Earl 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 Earl is a municipal corporation located in Cleveland County that is governed by an elected mayor and a four-member council who are elected for a two-year term. The Town Council and Mayor are responsible for day-to-day operations of the Town and the collection and disbursement of funds and preparation of the annual budget.

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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.

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 public safety, street maintenance and construction, and sanitation services.

**Town of Earl, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

The Town also reports a non-major capital projects fund that accounts for the restricted portion of prior sales and use tax distributions for water and sewer purposes. No budget has been adopted for this fund.

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. Non-exchange 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

**Town of Earl, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the 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 shared revenue for the Town of Earl because the tax is levied by Cleveland 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 by 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. Project ordinances are adopted for the Capital Projects 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 object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the governing board and 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.

**Town of Earl, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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 with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices.

**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**

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Recreation funds are also classified as restricted because their use is restricted to expenditures for culture and recreation as imposed by Cleveland County. Environmental protection funds are restricted because their use is restricted to environmental purposes.

**Town of Earl Restricted Cash**

Governmental Activities		
General Fund		
	Streets	\$ 46,832
	Recreation	12,793
	Environmental Protection	1,050
		\$ 60,675
Total governmental activities		\$ 60,675
Total Restricted Cash		\$ 60,675

**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 6. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Town has established a schedule of

**Town of Earl, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs is considered to be \$5,000 for all assets. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed 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.

In July 2003, the Town increased its capitalization policy for Furniture and Equipment from \$1,000 to \$5,000 to improve the efficiency in keeping the accounting records.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	40
Improvements	25
Vehicles	5
Furniture and equipment	10
Computer equipment	3

7. 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*

**Town of Earl, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

*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 one item that meets the criterion for this category-property taxes receivable.

8. Long-Term Obligations

The Town has no long-term debt.

9. Net Position/Fund Balances

Net Position

Net position in government-wide 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:

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

Prepaid items-portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items which is not a spendable resource.

Restricted Fund Balance-This classifications 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 know as “restricted by State statute”. *Appropriated fund balance in any fund shall not exceed the sum of cash and*

**Town of Earl, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

*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 Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Recreation-portion of fund balance that is restricted by revenue source for parks and recreation.

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

Assigned Fund Balance-portion of fund balance that Town of Earl 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; however, the budget ordinance authorizes the Finance Officer to modify the appropriations by resource or appropriation within funds up to \$2,500.

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 Earl has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance officer will use resources in the following hierarchy: loan 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 of Earl 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

**Town of Earl, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2019**

manner that available fund balance is at least equal to or greater than 8% of budgeted expenditures. Any portion of the general fund balance in excess of 8% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

**II. Stewardship, Compliance, and Accountability**

A. Violations of Finance-Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

The Town is required to hold a public hearing on the proposed budget no earlier than ten days after the date the budget is presented to the Council and no later than July 1. There is no documentation in the board minutes a budget was presented to the Council, that a public hearing was held, or the budget ordinance was adopted for the 2019/20 fiscal year as required by General Statutes.

The Town will immediately ensure the town clerk and the Town Council become familiar with the budgetary statutes and ensure they are in compliance in the future.

**III. Detail Notes on All Funds**

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy

**Town of Earl, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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, 2020, the Town's deposits had a carrying amount of \$119,230 and a bank balance of \$119,325. Of the bank balance, \$119,325 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Receivables - Allowances for Doubtful Accounts

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

Fund	
General Fund:	6/30/2020
Taxes Receivable	<u>\$ 556</u>

3. Capital Assets

**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 6,500	\$ -	\$ -	\$ 6,500
Construction in progress	-	-	-	-
Total capital assets not being depreciated	6,500	-	-	6,500
<b>Capital assets being depreciated:</b>				
Buildings	63,346	-	-	63,346
Other improvements	9,529	-	-	9,529
Equipment	44,740	-	-	44,740
Infrastructure	-	-	-	-
Total capital assets being depreciated	117,615	-	-	117,615
<b>Less accumulated depreciation for:</b>				
Buildings	47,156	1,701	-	48,857
Other improvements	9,144	381	-	9,525
Equipment	41,965	1,311	-	43,276
Infrastructure	-	-	-	-
Total accumulated depreciation	98,265	3,393	-	101,658
Total capital assets being depreciated, net	19,350			15,957
<b>Governmental activity capital assets, net</b>	<u>\$ 25,850</u>			<u>\$ 22,457</u>

**Town of Earl, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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

General government	\$ 1,779
Culture and Recreation	1,614
	<u>\$ 3,393</u>

**B. Liabilities**

**1. Deferred Outflows and Inflows of Resources**

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

	Unavailable Revenue
Taxes receivable (General Fund)	<u>\$ 556</u>

**2. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy. The Town carries commercial coverage for all other risks of loss. 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. The Town does have the required \$50,000 bond on the finance officer.

**Town of Earl, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

C. Fund Balance

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

<b><u>Total fund balance-General Fund</u></b>	<b><u>\$114,809</u></b>
Less;	
Stabilization by State Statute	1,551
Streets - Powell Bill	46,832
Appropriated Fund Balance in 2021 budget	-
Working Capital/Fund Balance Policy	7,619
Recreation	12,793
Remaining Fund Balance	<u>46,014</u>

The Town of Earl has 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 8% of budgeted expenditures.

**IV. Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

The Town has received proceeds from a State grant. 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. COVID-19 PANDEMIC**

During March 2020 the COVID-19 pandemic caused a statewide shutdown and massive unemployment throughout the state of North Carolina. This may cause future state shared revenues and property tax revenues to decrease. No adjustment has been made to the financial statements for this as it is uncertain what the effect may be.

## Supplementary Statements

TOWN OF EARL, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEARS ENDED JUNE 30

	2020		Variance Favorable (Unfavorable)	2019
	Budget	Actual		Actual
<b>Revenues</b>				
<b>Ad Valorem Taxes</b>				
Current Year	\$ 21,337	\$ 18,739	\$ (2,598)	\$ 18,431
Prior Year	-	446	446	707
Penalties and Interest	-	150	150	178
Collection Fees	-	(447)	(447)	(480)
	<u>21,337</u>	<u>18,888</u>	<u>(2,449)</u>	<u>18,836</u>
<b>Other Taxes and Licenses</b>				
Sales and Use Tax	-	7,549	-	7,306
Solid Waste Disposal Tax	-	206	-	188
Beer and Wine Tax	-	1,162	-	1,159
Franchise Tax	-	10,676	-	11,153
	<u>20,000</u>	<u>19,593</u>	<u>(407)</u>	<u>19,806</u>
<b>Restricted Intergovernmental</b>				
Revenue, "State Street - Aid"	6,250	5,377	(873)	6,733
Cleveland County Recreation Grant	14,403	14,373	(30)	4,543
	<u>20,653</u>	<u>19,750</u>	<u>(903)</u>	<u>11,276</u>
<b>Other Revenue</b>				
Investment Earnings-Powell Bill	-	26	26	3
Investment Earnings	-	208	208	201
	<u>700</u>	<u>1,080</u>	<u>380</u>	<u>79</u>
	<u>700</u>	<u>1,314</u>	<u>614</u>	<u>283</u>
<b>Total Revenues</b>	<u>\$ 62,690</u>	<u>\$ 59,545</u>	<u>\$ (3,145)</u>	<u>\$ 50,201</u>

TOWN OF EARL, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEARS ENDED JUNE 30

	2020			2019
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
<b>General Governments</b>				
Professional Services	\$ -	\$ -	\$ -	\$ 5,000
Town clerk expenses	-	5,350	(5,350)	4,875
Insurance	-	1,849	(1,849)	1,793
Town Hall	-	8,778	(8,778)	7,806
Mowing	-	1,800	(1,800)	1,800
Elections	-	-	-	-
Other General Expense	-	4,099	(4,099)	5,760
Capital Outlay	-	-	-	-
<b>Total General Governments</b>	<b>23,017</b>	<b>21,876</b>	<b>1,141</b>	<b>27,034</b>
<b>Environmental Protection</b>				
Sanitation	17,831	17,831	-	19,098
<b>Cultural and Recreation</b>				
Town Park	14,000	12,806	1,194	8,941
Capital Outlay	-	-	-	-
<b>Total Cultural and Recreation</b>	<b>14,000</b>	<b>12,806</b>	<b>1,194</b>	<b>8,941</b>
	<b>54,848</b>	<b>52,513</b>	<b>2,335</b>	<b>55,073</b>

TOWN OF EARL, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEARS ENDED JUNE 30

	2020		Variance Favorable (Unfavorable)	2019
	Budget	Actual		Actual
<b>Other Expenditures</b>				
Powell Bill Expenditures	42,000	41,132	868	12,037
Street Lights	1,592	1,591	1	2,032
	<u>43,592</u>	<u>42,723</u>	<u>869</u>	<u>14,069</u>
<b>Total Expenditures</b>	<u>98,440</u>	<u>95,236</u>	<u>3,204</u>	<u>69,142</u>
<b>Revenue Over(Under) Expenditures</b>	<u>(35,750)</u>	<u>(35,691)</u>	<u>59</u>	<u>(18,941)</u>
<b>Other Financing Sources</b>				
Fund Balance Appropriated	<u>35,750</u>	-	<u>35,750</u>	-
<b>Revenues and Other Financing Sources Over(Under) Expenditures</b>	<u>\$ -</u>	<u>(35,691)</u>	<u>\$ (35,691)</u>	<u>(18,941)</u>
<b>Fund Balance Beginning of Year</b>		<u>150,500</u>		<u>169,441</u>
<b>Fund Balance End of Year</b>		<u>\$ 114,809</u>		<u>\$ 150,500</u>

## Other Schedules

This section contains additional information required on property taxes.

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy

**TOWN OF EARL, NORTH CAROLINA  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2019</u>	<u>Additions</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 19,157	\$ 18,775	\$ 382
2018-2019	477	-	335	142
2017-2018	178	-	45	133
2016-2017	36	-	-	36
2015-2016	48	-	-	48
2014-2015	48	-	6	42
2013-2014	77	-	26	51
2012-2013	83	-	26	57
2011-2012	89	-	8	81
2010-2011	63	-	-	63
2009-2010	79	-	79	-
<b>Ad Valorem Taxes F</b>	<b>\$ 1,178</b>	<b>\$ 19,157</b>	<b>\$ 19,300</b>	<b>1,035</b>
<b>Allowance for Doubtful Accounts Taxes Receivable</b>				<b>479</b>
				<b>\$ 556</b>
<b>Reconcilement with Revenues: Ad Valorem Taxes - General Fund</b>				<b>\$ 18,888</b>
<b>Reconciling items:</b>				
Interest Collected				(150)
Collection Fees				447
Discounts/Adjustments				115
<b>Total Reconciling items</b>				<b>412</b>
<b>Total Collections and Credits</b>				<b>\$ 19,300</b>

**TOWN OF EARL, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
JUNE 30, 2020**

	District-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	<b>Original Levy:</b>				
Property Taxed at Current Year's Rate	\$ 10,642,778	\$ 0.18	\$ 19,157	\$ 16,891	\$ 2,266
<b>Discoveries:</b>					
Current Year Taxes	-	0.18	-	-	-
<b>Total Property Valuation</b>	<u>\$ 10,642,778</u>		19,157	16,891	2,266
<b>Net Levy:</b>					
Uncollected Taxes at June 30, 2020			382	382	-
<b>Current Year's Taxes Collected</b>			<u>\$ 18,775</u>	<u>\$ 16,509</u>	<u>\$ 2,266</u>
<b>Current Levy Collection Percentage</b>			98.01%	97.74%	100.00%