

**TOWN OF LASKER**  
**LASKER, NORTH CAROLINA**  
**JUNE 30, 2020**

**REPORT ON  
TOWN OF LASKER, NORTH CAROLINA  
YEAR ENDED JUNE 30, 2020**

**MAYOR  
DICK COLLIER**

**TOWN CLERK  
JUDY COLLIER**

**COMMISSIONERS  
CHARLES DAUGHTRY**

**COMMISSIONERS  
JOAN LASSITER**

**STEVIE FLYTHE**

**TOWN OF LASKER, NORTH CAROLINA  
TABLE OF CONTENTS  
JUNE 30, 2020**

<b>EXHIBITS:</b>		<b>PAGE</b>
<b>Financial Section</b>		
	Independent Auditor's Report.....	1
	Management's Discussion and Analysis .....	2
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
A	Statement of Net Position.....	3
B	Statement of Activities .....	4
Fund Financial Statements:		
C	Balance Sheet – Governmental Funds.....	5
D	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	6
D	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	6-1
E	Statement of Revenues, Expenditures, and Changes in Fund Balances – Annual Budget and Actual – General Fund.....	7
	Notes to the Financial Statements .....	8
<b>Individual Fund Statements and Schedules:</b>		
1	General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	15
<b>Other Schedules</b>		
2	Schedule of Ad Valorem Taxes Receivable .....	17
3	Analysis of Current Tax Levy – Town-Wide Levy .....	18

**JOHNSON, MCLEAN & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 467  
200 NORTH WYNN STREET  
MURFREESBORO, NORTH CAROLINA 27855

R. DON JOHNSON, JR., CPA  
BEN S. McLEAN, CPA

Reply To:  
Post Office Box 467  
Murfreesboro, North Carolina 27855  
Telephone: 252-398-5141  
Facsimile: 252-398-5142  
Email: Don – [djohnson@johnsonmclean.com](mailto:djohnson@johnsonmclean.com)  
Ben – [bmclean@johnsonmclean.com](mailto:bmclean@johnsonmclean.com)

Ahoskie Office:  
400 East Church Street  
Ahoskie, North Carolina 27910  
Telephone/Facsimile: 252-332-4417

## **Independent Auditor's Report**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lasker, 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 of Lasker's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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, 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 Lasker, North Carolina as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*


Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, and 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 to 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 Lasker's basic financial statements. The introductory information, combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with audit standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor 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.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

  
Johnson, McLean & Company  
Murfreesboro, North Carolina

September 8, 2020

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF LASKER, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
 June 30, 2020

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 66,642
Taxes receivables (net)	2,129
Accrued interest receivable on taxes	615
Accounts receivable (net)	4,821
Restricted cash and cash equivalents	5,594
Total current assets	79,801
Capital assets (Note 1):	
Land, non-depreciable improvements, and construction in progress	9,597
Other capital assets, net of depreciation	86,198
Total capital assets	95,795
Total assets	\$ 175,596
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 1,340
Total current liabilities	1,340
Total liabilities	\$ 1,340
<b>NET ASSETS</b>	
Net invested in capital assets	95,795
Restricted for:	
State statute	4,821
Powell Bill	5,594
Unrestricted	68,046
Total net position	\$ 174,256

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

TOWN OF LASKER, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
<b>Primary government:</b>					
Governmental Activities:					
General government	\$ 36,437	\$ -	\$ -	\$ -	\$ (36,437)
Transportation	6,292	-	3,798	-	(2,494)
Environmental protection	200	-	-	-	(200)
Total governmental activities (See Note 1)	42,929	-	3,798	-	(39,131)
Total primary government	\$ 42,929	\$ -	\$ 3,798	\$ -	\$ (39,131)

General revenues:	
Taxes:	
Property taxes, levied for general purpose	9,922
Other taxes	34,213
Grants and contributions not restricted to specific programs	183
Unrestricted investment earnings	44,318
Total general revenues, special items, and transfers	5,187
Change in net position	169,069
Net position-beginning	\$ 174,256
Net position-ending	



**TOWN OF LASKER, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020**

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Non-Major Funds</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 66,643	\$ -	\$ 66,643
Restricted cash	5,594	-	5,594
Receivables, net:			
Taxes	2,129	-	2,129
Accounts	4,821	-	4,821
<b>Total assets</b>	<u>\$ 79,187</u>	<u>\$ -</u>	<u>\$ 79,187</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,340	\$ -	\$ 1,340
<b>Total liabilities</b>	<u>1,340</u>	<u>-</u>	<u>1,340</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax receivable	\$ 2,129	\$ -	\$ 2,129
<b>Total deferred inflows of resources</b>	<u>2,129</u>	<u>-</u>	<u>2,129</u>
Fund balances:			
Restricted			
State statute	4,821	-	4,821
Streets-Powell bill	5,594	-	5,594
Assigned			
Designated for subsequent year's expenditures	21,625	-	21,625
Unassigned	43,678	-	43,678
	<u>75,718</u>	<u>-</u>	<u>75,718</u>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<u>\$ 79,187</u>	<u>\$ -</u>	<u>\$ 79,187</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 95,795

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred in the funds. 615

Liabilities for earned but deferred revenues in fund statements. 2,128

Long-term debt used in governmental activities are not financial uses and therefore not reported in the funds. Liabilities for earned but deferred revenues in fund statements. -

Net position of governmental activities \$ 174,256

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

**TOWN OF LASKER, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Total Non-Major Funds</u>	
<b>REVENUES</b>			
Ad valorem taxes	\$ 9,484	\$ -	\$ 9,484
Other taxes & license	-	-	-
Unrestricted intergovernmental	34,213	-	34,213
Restricted intergovernmental	3,798	-	3,798
Investment earnings	183	-	183
	<hr/>	<hr/>	<hr/>
Total revenues	47,678	-	47,678
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
General government	40,625	-	40,625
Transportation	16,670	-	16,670
Environmental protection	200	-	200
	<hr/>	<hr/>	<hr/>
Total expenditures	57,495	-	57,495
Excess (deficiency) of revenues over expenditures	<hr/> (9,817) <hr/>	<hr/> - <hr/>	<hr/> (9,817) <hr/>
Fund balances-beginning	<hr/> 85,536 <hr/>	<hr/> - <hr/>	<hr/> 85,536 <hr/>
Fund balances-ending	<u>\$ 75,719</u>	<u>\$ -</u>	<u>\$ 75,719</u>

**TOWN OF LASKER, NORTH CAROLINA**  
**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	\$	(9,817)
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		14,564
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in accrued interest on tax receivable		26
Change in deferred revenue for tax revenues		414
		-
Total changes in net position of governmental activities	\$	5,187

**TOWN OF LASKER, NORTH CAROLINA  
GENERAL FUND AND ANNUALLY BUDGETED  
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	
Revenues:				
Ad valorem taxes	\$ 9,900	\$ 9,900	\$ 9,484	\$ (416)
Other taxes and licenses	-	-	-	-
Unrestricted intergovernmental	31,100	31,100	34,213	3,113
Restricted intergovernmental	4,000	4,000	3,798	(202)
Miscellaneous	-	-	-	-
Investment earnings	150	150	183	33
Total revenues	45,150	45,150	47,678	2,528
Expenditures:				
Current:				
General government	44,732	44,732	40,625	4,107
Transportation	17,450	17,450	16,670	780
Environmental protection	200	200	200	-
Total expenditures	62,382	62,382	57,495	4,887
Revenues over (under) expenditures	(17,232)	(17,232)	(9,817)	7,415
Other financing sources (uses):				
Fund balance appropriated	17,232	17,232	-	(17,232)
Total other financing sources (uses)	17,232	17,232	-	(17,232)
Revenues and other sources over (under) expenditures and other uses	-	-	(9,817)	(9,817)
Fund balances, beginning of year	-	-	85,536	-
Fund balances, end of year	\$ -	\$ -	\$ 75,719	\$ -

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

**TOWN OF LASKER, NORTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Lasker 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 Lasker is a municipal corporation which is governed by an elected mayor and a three-member council.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements identify the *governmental activities* of the Town. 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 and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds. Statements for the fund category – *governmental* – are presented. The emphasis of fund financial statements is on major governmental funds, displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

**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.

The Town reports the following non-major governmental funds:

None.

**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 Fund Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*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

## TOWN OF LASKER NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Sales taxes collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Lasker because the tax is levied by Northampton County and then remitted to and distributed by the State. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned 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 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 by general revenues.

### **D. Budgetary Data**

The Town's budget is adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end.

All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. The Town Manager is authorized by the budget ordinance to transfer appropriations within a fund up to \$2,500; however, any revisions that alter the total expenditures of any fund or change functional appropriations by more than \$2,500 must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material.

A budget calendar is included in the North Carolina General Statutes which prescribes the last day on which certain steps of that budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30 - Each department head will transmit to the budget officer the budget requests and the revenue estimates for their department for the budget year.

June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget shall be scheduled at this time.

July 1 - The budget ordinance shall be adopted by the governing board.

### **E. Assets, Liabilities and Fund Equity**

#### **1. Deposits and Investments**

All deposits of the Town are made in board-designated official depositories and are collateralized as required by G.S. 159-31. The Town may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the Town may establish time

## TOWN OF LASKER NOTES TO THE BASIC FINANCIAL STATEMENTS

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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT – Cash Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities are valued at fair value.

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

### **2. Cash and Cash Equivalents**

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 thru 136-41.4.

### **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 July 1, the beginning of the fiscal year. These taxes are due on September 1; however, interest does not accrue until the following January 6. The taxes levied are based on the assessed values as of January 1, 2018. As allowed by State law, the Town has established a schedule of discounts that apply to taxes which 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. There were no minimum capitalization costs prior to July 1, 2010. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2016 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2016 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2002, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement 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.

**TOWN OF LASKER  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Improvements	25
Vehicles	6
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 item that meets 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 only one item that meets the criterion for this category - property taxes receivable.

**8. Net Position/Fund Balances**

Net position in government-wide financial statements are classified as invested in capital assets, net of related debt; restricted; assigned; and unassigned. Restricted net position represent 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. It is the Town's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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 balances can be spent.

The governmental fund types classify fund balances as follows:

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

Restricted for Stabilization by State statute – portion of fund balance that is restricted by State statute [G.S. 159-9(a)].

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

Assigned Fund Balance – portion of fund balance that the Town of Lasker 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.

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



**TOWN OF LASKER  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**9. Reclassifications**

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Reclassifications made in prior year have no impact on changes in net assets.

**NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Noncompliance With North Carolina General Statutes**

None.

**NOTE 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 unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits. 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 undercollateralization, 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 regarding custodial credit risk for deposits.

At June 30, 2020, the Town's deposits had a carrying amount of \$72,237 and a bank balance of \$73,505. The bank balance was covered by federal depository insurance.

**2. Receivables - Allowances for Doubtful Accounts**

The amounts presented in Exhibit A, the Statement of Net Assets, are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2020</u>
General Fund	
Taxes Receivable	\$ --

**TOWN OF LASKER  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**3. Capital Assets**

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 9,597	-	-	\$ 9,597
Total capital assets not being depreciated	<u>9,597</u>	<u>-</u>	<u>-</u>	<u>9,597</u>
<b>Capital assets being depreciated:</b>				
Buildings	67,812	-	-	67,812
Equipment	54,652	-	-	54,652
Vehicles and motorized equipment	325	-	-	325
Infrastructure	22,348	21,350	-	43,698
Total capital assets being depreciated	<u>145,137</u>	<u>21,350</u>	<u>-</u>	<u>166,487</u>
<b>Less accumulated depreciation for:</b>				
Buildings	25,900	2,400	-	28,300
Equipment	39,856	2,522	-	42,378
Vehicles and motorized equipment	325	-	-	325
Infrastructure	7,423	1,863	-	9,286
Total accumulated depreciation	<u>73,504</u>	<u>6,785</u>	<u>-</u>	<u>80,289</u>
Total capital assets being depreciated, net	<u>71,633</u>			<u>86,198</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 81,230</u>			<u>\$ 95,795</u>

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

General government	\$ 2,613
Public safety	-
Transportation	4,172
Environmental protection	-
Total depreciation expense	<u>\$ 6,785</u>

**B. Liabilities**

**1. Pension Plan Obligations**

The Town employees do not participate in the Local Government Employee's Retirement System. The Town does not have a police force and, therefore, no provision for Law Enforcement Retirement.

**2. Outflows and Inflows of Revenues**

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

<b>General Fund</b>	<u>Deferred Inflow</u>
Prepaid Taxes Not Yet Earned	\$ -
Taxes Receivable (Net)	2,129
Total	<u>\$ 2,129</u>

**TOWN OF LASKER**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**3. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is carried for such risks of loss. There have been no potential claims in any of the last three fiscal years. The Town of Lasker does not carry flood insurance.

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 to be performance bonded through a commercial surety bond of no less than \$50,000. The Finance Officer is bonded for \$50,000. The Town Clerk is bonded for \$10,000.

**NOTE IV. RELATED PARTY TRANSACTIONS**

The Town paid to Councilman Charles Daughtry a total of \$825 for cutting grass and other lawn care services. Also, Judy Collier, the Mayor's wife, is employed as the Town Clerk at a salary of \$8,670.

**NOTE V. SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS**

We have evaluated subsequent events through September 8, 2020, the date on which the financial statements were available to be issued.

**INDIVIDUAL FUND STATEMENT AND SCHEDULES**

**TOWN OF LASKER , NORTH CAROLINA  
GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE -  
BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for June 30, 2019)**

	2020		Variance Favorable (Unfavorable)	2019
	Budget	Actual		Actual
<b>Revenues:</b>				
Ad Valorem Taxes:				
Current Year	\$ -	\$ 9,100	\$ -	\$ 9,726
Prior Years	-	384	-	602
Penalties & Interest	-	-	-	-
	9,900	9,484	(416)	10,328
Other Taxes & Licenses:				
Zoning fees	-	-	-	60
	-	-	-	60
Unrestricted Intergovernmental Revenues:				
Local Option Sales Tax	-	28,573	-	28,883
Telecommunication Sales Tax	-	613	-	-
ABC Revenue	-	132	-	-
Beer & Wine	-	512	-	519
Franchise Tax	-	4,383	-	5,126
	31,100	34,213	3,113	34,528
Restricted Intergovernmental Revenues:				
Powell Bill Allocation	-	3,798	-	3,851
	4,000	3,798	(202)	3,851
Investment Earnings	150	183	33	230
<b>Total Revenues</b>	\$ 45,150	\$ 47,678	\$ 2,528	\$ 48,997

TOWN OF LASKER, NORTH CAROLINA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE -  
BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for June 30, 2019)

	2020		Variance Favorable (Unfavorable)	2019
	Budget	Actual		Actual
<b>Expenditures:</b>				
General government:				
Governing body:				
Salaries & benefits	\$ -	\$ 1,560	\$ -	\$ 1,440
Professional services	-	4,919	-	4,700
	6,490	6,479	11	6,140
Administration:				
Salaries & Benefits	-	9,520	-	7,590
Operating Expenses	-	16,456	-	8,103
Town Hall Repairs	-	1,370	-	886
Capital Outlay	-	6,800	-	-
Debt Service	-	-	-	5855
	38,242	34,146	4,096	22,434
<b>Total General Government</b>	44,732	40,625	4,107	28,574
Transportation:				
Operating Expenses	-	2,120	-	9,205
Capital Outlay	-	14,550	-	-
<b>Total Transportation</b>	17,450	16,670	780	9,205
Environmental Protection:				
Cemeteries	-	200	-	200
<b>Total Environmental Protection</b>	200	200	-	200
<b>Total Expenditures</b>	62,382	57,495	4,887	37,979
Revenues Over (Under) Expenditures	(17,232)	(9,817)	7,415	11,018
Other Financing Sources (Uses):				
Fund Balance Appropriated	17,232	-	(17,232)	-
Revenues & Other Financing Sources Over (Under) Expenditures	\$ -	\$ (9,817)	\$ (9,817)	\$ 11,018
Fund Balance:				74,518
Beginning of year, July 1		85,536		\$ 85,536
End of year, June 30		\$ 75,719		\$ 85,536

## OTHER SCHEDULES

**TOWN OF LASKER, NORTH CAROLINA  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
June 30, 2020**

	<b>Uncollected Balance June 30, 2019</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2020</b>
2019-2020	\$ -	\$ 9,620	\$ 9,100	\$ 520
2018-2019	130	321	138	313
2017-2018	284	-	-	284
2016-2017	310	-	12	298
2015-2016	283	9	8	284
2014-2015	218	-	-	218
2013-2014	218	-	148	70
2012-2013	148	-	78	70
2011-2012	70	-	-	70
2010-2011	23	-	23	-
2009-2010	31	-	31	-
<b>TOTALS</b>	<b>\$ 1,715</b>	<b>\$ 9,950</b>	<b>\$ 9,538</b>	<b>\$ 2,127</b>
Less: Allowance for doubtful accounts				-
				2,127
Reconciliation with revenues:				
Taxes - Ad Valorem - General Fund				\$ 9,484
Interest				-
Amount written off for statute of limitations				54
Total Collections & Credits				<b>\$ 9,538</b>



**TOWN OF LASKER, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
June 30, 2020**

	<u>Total 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 Taxed at					
Current Years Rate	\$ 3,310,400	0.25%	\$ 8,276	\$ 8,276	\$ -
Motor Vehicles	537,600	0.25%	1,344	-	1,344
Total	<u>3,848,000</u>		<u>9,620</u>	<u>8,276</u>	<u>1,344</u>
Net Levy			<u>9,620</u>	<u>8,276</u>	<u>1,344</u>
Uncollected Tax at June 30, 2020			<u>520</u>	<u>520</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 9,100</u>	<u>\$ 7,756</u>	<u>\$ 1,344</u>
Current Levy Collection Percentage			<u>94.59%</u>	<u>93.72%</u>	<u>100.00%</u>