



**Town Council
Regular Meeting
February 20, 2024, at 9:30 a.m.**

**THIS MEETING WILL BE HELD ELECTRONICALLY AND IN PERSON
Please visit www.laurelpark.org for more information**

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Public Comment**
- 4. Approval of the Agenda**
- 5. Consent Agenda**
 - A. January Monthly Report
 - B. Minutes for the January 16, 2024 Regular Meeting
- 6. Old Business**
 - A. Sidewalk Agreement
 - B. Tree City/Bee City Signs
 - C. Highway 64 Renderings
- 7. New Business**
 - A. Audit Presentation
 - B. Yoga at Jump Off Rock
- 8. Town Manager's Report**
- 9. Department Head Reports**
 - A. Public Works
 - B. Fire Department
 - C. Police
 - D. Administration
- 10. Mayor and Commissioner Comments**
- 11. Adjournment**



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Consent Agenda

Presenter: Mayor J. Carey O’Cain

Attachment(s): Yes/No

- Monthly Report

Summary of Item:

The monthly report is attached.

Council Action Requested:

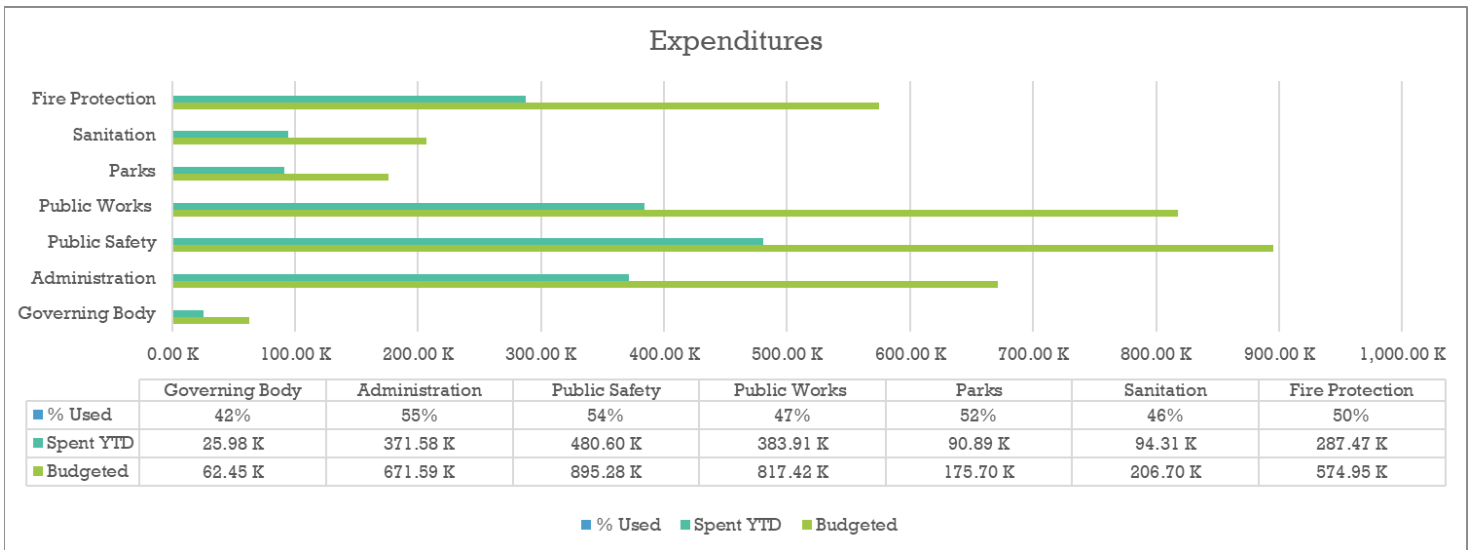
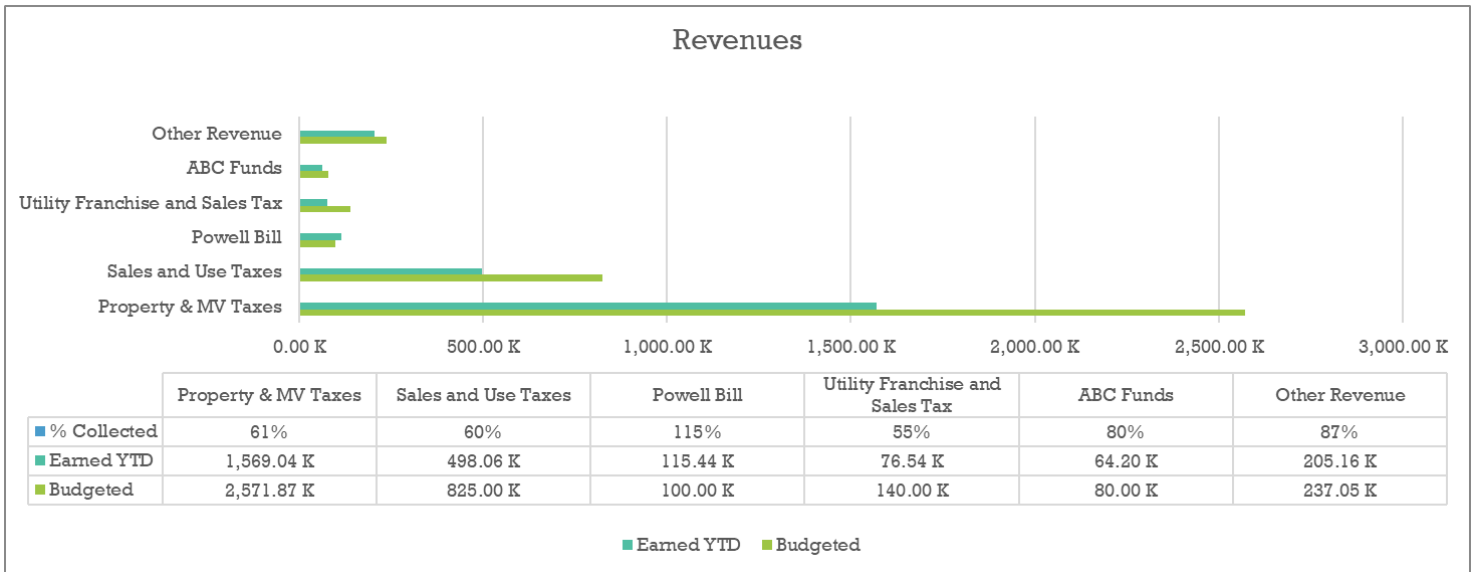
Staff requests the Town Council review the consent agenda.

Suggested Motion:

Move to approve the consent agenda.



January Monthly Report



Tax Collector's Report (January 31, 2024)

For prior year taxes, a total of \$29,190.19 remains outstanding. The Town received \$382,111.38 from Henderson County for property taxes collected for August and a total of \$2,540,610.07 since the 2023 bills were mailed. The 2023 tax levy is \$2,571,273.67. The Town currently has a collection rate of 99.006%.



Planning & Zoning

Status of Single-Family Residential Dwellings (SFRD)

2021-19	212 Beechwood	Jennifer Yost	NC
2022-1	312 Daniel Dr.	Chris St. Onge	NC
2022-23	74 Indian Woods Trl.	Jon Skillman	NC
2022-31	10 Fawn Turn Ln	Sigfrid Della Valle	NC
2022-38	209 Ficker Cir.	Sarah Adams	NC
2022-44	945 Somersby Pkwy.	Matt Padula	UC
2023-4	200 Rowland Dr.	Loyd Alexander	LPZCP
2023-5	PIN# 9548467175/Clays Cv.	Josh Youngblood	LPZCP
2023-29	PIN# 9558252937 (9558262012)	Chris Brock	UC

Status Legend

LPZCP = Laurel Park Zoning Compliance Permit	HCBP = Henderson County Building Permit
UC = Under Construction	NC = Nearly Complete

Monthly Permits Other Than SFRD

Deck		0
Sign		0
Fence		0
Additions or Remodel	198 Birchwood Dr, 169 Echo Dr	2
Accessory Use or Structure	633 White Pine Dr	1
Total for January		3



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Sidewalk Agreement

Presenter: Town Manager Alex Carmichael

Attachment(s): Yes/No

- Project Number U-5783 Sidewalk Agreement

Summary of Item:

This project consists of modernizing US 64 to include bike lanes and paved shoulders from SR 1180 (Blythe Street) to SR 1173 (White Pine Drive)/SR 1186 (Daniel Drive). The North Carolina Department of Transportation will construct 4916 square yards of new 4” concrete sidewalk along US 64 in the Laurel Park Town limits at an estimated cost of \$319,540. Of this, Laurel Park will be responsible for \$15,977.

Council Action Requested:

Review and discuss agreement.

Suggested Motion:

Move to approve sidewalk agreement for project number U-5783 with the NCDOT.

AGREEMENT OVERVIEW

NORTH CAROLINA
HENDERSON COUNTY

DATE: 1/19/2024

PARTIES TO THE AGREEMENT:

PROJECT NUMBERS:

NORTH CAROLINA DEPARTMENT
OF TRANSPORTATION

TIP #: U-5783

WBS ELEMENTS: CON 44354.3.1

AND

TOWN OF LAUREL PARK

The purpose of this Agreement is to identify the participation in project costs, project delivery and/or maintenance, by the other party to this Agreement, as further defined in this Agreement.

SCOPE OF TIP PROJECT (“Project”): This project consists of modernizing US 64 to include bike lanes and paved shoulders from SR 1180 (Blythe Street) to SR 1173 (White Pine Drive)/SR 1186 (Daniel Drive).

ADDITIONAL WORK: Construct 4916 square yards of new 4” concrete sidewalk along US 64 in the Laurel Park Town limits.

ESTIMATED COST OF THE ADDITIONAL WORK: \$319,540

COSTS TO OTHER PARTY: \$15,977

PAYMENT TERMS: Town of Laurel Park will submit payment upon execution of agreement.

MAINTENANCE: Town of Laurel Park

EFFECTIVE DATES OF AGREEMENT:

START: Upon Full Execution of this Agreement

END: When work is complete and all terms are met.

This Agreement is made and entered into on the last date executed below, by and between the North Carolina Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the **Department** and the **Town of Laurel Park**, hereinafter referred to as the **Municipality**; and collectively referred to as the **Parties**.

The **Parties** to this Agreement, listed above, intend that this Agreement, together with all attachments, schedules, exhibits, and other documents that both are referenced in this Agreement and refer to this Agreement, represents the entire understanding between the **Parties**

with respect to its subject matter and supersedes any previous communication or agreements that may exist.

I. WHEREAS STATEMENTS

WHEREAS, this Agreement is made under the authority granted to the **Department** by the North Carolina General Assembly under General Statutes of North Carolina (NCGS), particularly Chapter 136-66.1 and 136-66.3; and,

WHEREAS, the **Department** and the **Municipality** have agreed that the jurisdictional limits of the **Parties**, as of the date of entering the agreement for the above-mentioned project, are to be used in determining the duties, responsibilities, rights, and legal obligations of the **Parties** hereto for the purposes of this Agreement; and,

WHEREAS, the **Municipality** has requested that the **Department** perform all phases of said work or provide services; and,

WHEREAS, the **Parties** hereto wish to enter into an agreement for scoped work to be performed or provided by the **Department** (including reviews, goods, or services) with reimbursement for the costs thereof by the **Municipality** as hereinafter set out; and,

NOW, THEREFORE, this Agreement states the promises and undertakings of each party as herein provided, and the **Parties** do hereby covenant and agree, each with the other, as follows:

II. RESPONSIBILITIES

- i. The **Department** shall be responsible for all phases of project delivery to include planning, design, right of way acquisition, utility relocation, and construction and maintenance as shown in the **PROJECT DELIVERY** Provision. The **Municipality** shall be responsible for maintenance.
- ii. The **Municipality** shall be responsible for maintenance of the additional work, as shown in the **PROJECT DELIVERY** Provision; and payment as shown in the **COSTS AND FUNDING** Provision.

III. PROJECT DELIVERY REQUIREMENTS

A. PLANNING, DESIGN, AND CONSTRUCTION

- i. The **Department** will be responsible for preparing the environmental and/or planning document, obtaining any environmental permits, and preparing the project plans and specifications.

- ii. The **Department** shall construct the Project in accordance with the plans and specifications for the Project. The **Department** shall administer the construction contract for said Project. All work shall be done in accordance with Departmental standards, specifications, policies, and procedures.

B. RIGHT OF WAY ACQUISITION

It is understood by all **Parties** hereto that all work shall be contained within existing right of way or easements previously granted. If additional right of way is needed, the **Municipality** will provide the required right of way and/or construction easements at no cost or liability whatsoever to the **Department**. Acquisition of right of way shall be accomplished in accordance with State procedures and the North Carolina Right of Way Manual. The **Municipality** shall remove from said right of way all obstructions and encroachments of any kind or character (including hazardous and contaminated materials). The **Municipality** shall indemnify and save the **Department** harmless from any and all claims for damages that might arise on account of damage to public or private property and right of way acquisition, drainage, and construction easements for the construction of the project.

C. MUNICIPAL UTILITY RELOCATIONS

Responsibilities

It is understood that there are no municipally-owned water and sewer lines to be adjusted or relocated at this time. If during the project it becomes necessary to adjust or relocate municipally-owned water and/or sewer lines, a separate Utility Agreement will be prepared at the appropriate time.

D. MAINTENANCE

Upon completion of the Project:

- i. The **Department** shall be responsible for all traffic operating controls and devices which shall be established, enforced, and installed and maintained in accordance with the North Carolina General Statutes, the latest edition of the Manual on Uniform Traffic Control Devices for Streets and Highways, the latest edition of the "Policy on Street and Driveway Access to North Carolina Highway," and department criteria.
- ii. The roadway improvements that are within state-owned right of way shall be considered a part of the State Highway System and shall be owned and maintained by the **Department**.
- iii. The **Municipality** shall maintain the new sidewalk of within the Town of Laurel Park limits.

IV. COSTS AND FUNDING

A. ADDITIONAL WORK

At the request of the **Municipality** and in accordance with the **Department’s** Pedestrian Policy Guidelines or the Complete Streets Guidelines, the **Department** shall include provisions in its construction contract for the construction of pedestrian facilities and/or other additional work as indicated in the Table below. Said work shall be performed in accordance with the **Department’s** policies, procedures, standards, and specifications, and the provisions of this Agreement.

Description	Cost to Municipality
4916 SY of 4" concrete sidewalk	\$ 15,977
Total Estimated Cost to Municipality	\$ 15,977

The estimated Municipal share of the additional work is \$15,977. The **Parties** understand that this is an estimated cost and subject to change.

B. PROJECT COSTS

The **Municipality** has agreed to participate in the Project costs as follows:

- i. The estimated cost of the additional work is \$319,540. The **Municipality** shall participate in 5% of actual costs. The **Department** will participate in 95% of actual costs. Both **Parties** understand that this is an estimated cost and is subject to change.
- ii. The **Department** may consult with the **Municipality** on changes to cost estimates prior to construction, or changes to costs during construction. Consultation between the **Department** and the **Municipality** is offered as a courtesy to apprise the **Municipality** of potential cost increases and to allow appropriate budgeting. Failure of the **Department** to notify the **Municipality** of cost increases does not affect the payment terms of the agreement.

C. DOWNPAYMENT

- i. The **Municipality** shall provide a down payment for each phase of the Project, prior to the **Department** initiating work on each phase. The **Department** will notify the **Municipality** of the requested amount of down payment. The **Municipality** shall remit payment, in accordance with the guidance provided with this Agreement.
- ii. If costs for the current phase of work exceed the available funding, then the **Department** will notify the **Municipality** of any additional down payment needed.

D. INVOICING BY THE DEPARTMENT

- i. Based on the estimated cost of \$319,540 the **Municipality** shall submit payment for \$15,977 to the **Department's** Fiscal Section upon full execution of this Agreement.
- ii. Upon completion of the Project, if actual costs exceed the amount of the down payment, the **Municipality** shall reimburse the **Department** any underpayment within sixty (60) days of invoicing by the **Department**. The **Department** will charge a late payment penalty and interest on any unpaid balance due in accordance with G. S. 147-86.23. If the actual cost of the work is less than \$319,540, the **Department** will reimburse the **Municipality** any overpayment.
- iii. At any time prior to final billing by the **Department**, the **Municipality** may prepay any portion of the estimated cost by sending payment per the attached cover memo. The **Department** will provide a final billing based on the fixed cost, less any previous payments that have been made.
- iv. In the event the **Municipality** fails for any reason to pay the **Department** in accordance with the provisions for payment hereinabove provided, North Carolina General Statute 136-41.3 authorizes the **Department** to withhold so much of the **Municipality's** share of funds allocated to said **Municipality** by North Carolina General Statute, Section 136-41.1, until such time as the **Department** has received payment in full.

V. STANDARD PROVISIONS

A. AGREEMENT MODIFICATIONS

Any modification to scope, funding, responsibilities, or time frame will be agreed upon by all **Parties** by means of a written Supplemental Agreement.

B. ASSIGNMENT OF RESPONSIBILITIES

The **Department** must approve any assignment or transfer of the responsibilities of the **Municipality** set forth in this Agreement to other parties or entities.

C. AGREEMENT FOR IDENTIFIED PARTIES ONLY

This Agreement is solely for the benefit of the identified **Parties** to the Agreement and is not intended to give any rights, claims, or benefits to third parties or to the public at large.

D. OTHER AGREEMENTS

The **Municipality** is solely responsible for all agreements, contracts, and work orders entered into or issued by the **Municipality** to meet the terms of this Agreement. The **Department** is not responsible for any expenses or obligations incurred for the terms of this Agreement except those specifically eligible for the funds and obligations as approved by the **Department** under the terms of this Agreement.

E. TITLE VI

The other party to this Agreement shall comply with Title VI of the Civil Rights Act of 1964 (Title 49 CFR, Subtitle A, Part 21) and related nondiscrimination authorities. Title VI and related authorities prohibit discrimination on the basis of race, color, national origin, disability, gender, and age in all programs or activities of any recipient of Federal assistance.

F. FACSIMILE

A copy or facsimile copy of the signature of any party shall be deemed an original with each fully executed copy of the Agreement as binding as an original, and the Parties agree that this Agreement can be executed in counterparts, as duplicate originals, with facsimile signatures sufficient to evidence an agreement to be bound by the terms of the Agreement.

G. AUTHORIZATION TO EXECUTE

The **Parties** hereby acknowledge that the individual executing this Agreement has read this Agreement, conferred with legal counsel, fully understands its contents, and is authorized to execute this Agreement and to bind the respective **Parties** to the terms contained herein.

H. DEBARMENT POLICY

It is the policy of the **Department** not to enter into any agreement with parties that have been debarred by any government agency (Federal or State). By execution of this agreement, the **Municipality** certifies that neither it nor its agents or contractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal or State Agency or Department and that it will not enter into agreements with any entity that is debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction.

I. INDEMNIFICATION

To the extent authorized by state and federal claims statutes, the **Municipality** shall be responsible for its actions under the terms of this agreement and save harmless the FHWA (if applicable), the **Department**, and the State of North Carolina, their respective officers, directors, principals, employees, agents, successors, and assigns to the extent allowed by law, from and against any and all claim for payment, damages and/or liabilities of any nature,

**ACCOUNTS RECEIVABLE
TIP AGREEMENT – ADDITIONAL WORK
CONSTRUCTION
1000019992**

asserted against the **Department** in connection with this Agreement. The **Department** shall not be liable and shall be held harmless from any and all third-party claims that might arise on account of the **Municipality's** negligence and/or responsibilities under the terms of this agreement.

J. AVAILABILITY OF FUNDS

All terms and conditions of this Agreement are dependent upon, and, subject to the allocation of funds for the purpose set forth in the Agreement and the Agreement shall automatically terminate if funds cease to be available.

K. DOCUSIGN

The **Department** and **Municipality** acknowledge and agree that the electronic signature application DocuSign may be used, at the sole election of the **Department** or the **Municipality**, to execute this Agreement. By selecting "I Agree", "I Accept", or other similar item, button, or icon via use of a keypad, mouse, or other device, as part of the DocuSign application, the **Department** and **Municipality** consent to be legally bound by the terms and conditions of Agreement and that such act constitutes **Department's** signature as if actually signed by the **Department** in writing or the **Municipality's** signature as if actually signed by the **Municipality** in writing. The **Department** and **Municipality** also agree that no certification authority or other third-party verification is necessary to validate its electronic signature and that the lack of such certification or third-party verification will not in any way affect the enforceability of its electronic signature. The **Department** and **Municipality** acknowledge and agree that delivery of a copy of this Agreement or any other document contemplated hereby through the DocuSign application, will have the same effect as physical delivery of the paper document bearing an original written signature.

L. GIFT BAN

By Executive Order 24, issued by Governor Perdue, and NCGS 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e. Administration, Adult Corrections, Commerce, Environmental Quality, Health and Human Services, Information Technology, Military and Veterans Affairs, Natural and Cultural Resources, Public Safety, Revenue, Transportation, and the Office of the Governor).

**ACCOUNTS RECEIVABLE
TIP AGREEMENT – ADDITIONAL WORK
CONSTRUCTION
1000019992**

SIGNATURE PAGE

IN WITNESS WHEREOF, this Agreement has been executed the day and year heretofore set out, on the part of the **Department** and the **Municipality** by authority duly given.

(DOCUSIGN ONLY)

Authorized Signer: _____

Print Name: _____

Title: _____

Date Signed: _____

If applicable, this Agreement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

TOWN OF LAUREL PARK

FED TAX ID NO: _____

Finance Officer: _____

REMITTANCE ADDRESS:

Print Name: _____

Date Signed: _____

DEPARTMENT OF TRANSPORTATION

BY: _____

TITLE: _____

DATE: _____

APPROVED BY BOARD OF TRANSPORTATION ITEM O: _____ (DATE)

SIGNATURE PAGE

IN WITNESS WHEREOF, this Agreement has been executed the day and year heretofore set out, on the part of the **Department** and the **Municipality** by authority duly given.

(INK SIGNATURES ONLY)

ATTEST: _____ Authorized Signer: _____

BY: _____ Print Name: _____

TITLE: _____ Title: _____

Date Signed: _____

If applicable, this Agreement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

TOWN OF LAUREL PARK

FED TAX ID NO: _____ Finance Officer: _____

REMITTANCE ADDRESS: _____ Print Name: _____

_____ Date Signed: _____

DEPARTMENT OF TRANSPORTATION (DocuSign)

BY: _____

TITLE: _____

DATE: _____

APPROVED BY BOARD OF TRANSPORTATION ITEM O: _____ (DATE)



TOWN OF LAUREL PARK AGENDA ITEM SUMMARY

Title of Item: Tree City-Bee City Signs

Presenter: Town Clerk Tamara Amin

Attachment(s): Yes/No

Summary of Item:

At the December meeting the Council discussed the placement of the Bee City signs and decided that they are too big. A motion passed to approve the placement of the Bee City signs that are amended to be the same size as the Tree City signs on Laurel Park street signposts. The Bee City signs are 24" x 24". When inspecting the Tree City Signs, they were measured at 24" x 30."

The motion that was passed at the December meeting would actually have the Town installing larger signs than what are currently available.

At the January Meeting, Mayor O'Cain said he would like to see the signs half the size maximum 12x18. Mayor O'Cain asked Staff to find out if there are any size requirements.

Staff has contacted Bee City USA, their response was that it was okay to print it smaller, as long as the proportions remain the same as their template signs.

Staff recommends a new motion that would allow the Bee City signs to be posted.

Council Action Requested:

Discuss the Bee City and Tree City sign sizes.

Suggested Motion:

Move to approve the placement of Bee City Signs to be _____



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Highway 64 Renderings

Presenter: Chad Meadows, CodeWright Planning

Attachment(s): Yes/No

- TC District Vision Renderings Proposal

Summary of Item:

Chad Meadows will present the proposal for Vision Renderings in the Town Center District.

Council Action Requested:

Review and discuss proposal.

Suggested Motion:

Move to approve TC District Vision Renderings Proposal as presented.

To: Alex Carmichael, Town of Laurel Park
From: Chad Meadows, CodeWright
Date: 1-3-24
CC: JJ Zanetta
RE: Laurel Park Highway 64 Area Renderings Scope of Work



PROPOSAL

This document is a proposal from CodeWright Planners, in association with JJ Zanetta Illustration, to prepare a series of renderings and accompanying text that describe the Town's vision for development within the Town Center (TC) Zoning District. These materials will be used by the Town to provide guidance to potential applicants about building placement, building design, site characteristics, and the relationship of development to the Highway 64 right-of-way in and near the TC district boundary.

The following pages detail the activities to be undertaken for the project, organized by task, as well as a tentative schedule, and a not-to-exceed budget. In the event the Town wishes to move forward with the project, this proposal will be converted into a contract for execution by the Town and CodeWright. The proposal anticipates the following **six tasks**:

- Task 1. Project Initiation
- Task 2. Vision Workshop with Town Officials
- Task 3. Initial Renderings/Description
- Task 4. Revisions, Round 1
- Task 5. Revisions, Round 2
- Task 6. Delivery

Assuming a contract for the project is executed in mid-January 2024, delivery of completed work products is anticipated 10 weeks later by **April 1, 2024**.

The total not-to-exceed price for the scope of work outlined in this proposal is **\$12,405**. This is based on three renderings (\$7,600) and a series of associated discussions and presentations.

Details on each task as well as a summary schedule and budget are included in the following pages. We view this material as a starting point for discussion, and are happy to revise the proposal in ways that better suit the Town's needs. We look forward to overviewing this proposal with the Town Council during the January 11 work session.



TASK 1. PROJECT INITIATION

Description	Background, assembly, initial project understanding.
Activities	<ol style="list-style-type: none"> 1. The consulting team will review the US-64 Corridor Study, NCDOT roadway plans, the planting and design documents, Town Center concepts, and related material. 2. The team will prepare an initial description of the Town’s vision for the Town Center District/Area for further review during the project. 3. The team will prepare a photographic inventory of the subject area.
Deliverables	<ol style="list-style-type: none"> 1. Draft vision document. 2. Photographic inventory of subject area. 3. Set of questions/issues for discussion by Town Officials during Vision Workshop.
Town Responsibilities	<ol style="list-style-type: none"> 1. Forward or upload all project-related documents to the Basecamp site. 2. Ensure consulting team has the latest information about plans for the area from NCDOT and other Town service providers. 3. Share any photographs of the area the Town has already collected.
Timing	Complete approximately one week after project execution (anticipated on January 16, 2024).
Cost	\$1,200

TASK 2. VISION WORKSHOP

Description	Intensive design discussion to identify the types of drawings (aerial or eye-level), the locations to be depicted, and the associated text elements.
Activities	½-day design workshop in Laurel Park conference room with members of consulting team (blend of in-person and remote attendance) and Town Officials.
Deliverables	<ol style="list-style-type: none"> 1. Recording of zoom session. 2. Summary memo of work session outcome, including number and type of renderings and locations to be depicted.
Town Responsibilities	<ol style="list-style-type: none"> 1. Schedule attendance of Town Officials. 2. Secure venue. 3. Record Zoom session and provide recording link to consulting team. 4. Review and comment on summary memorandum.
Timing	Complete by 2.2.24
Cost	\$1,500



TASK 3. INITIAL RENDERINGS/DESCRIPTION

Description	Preparation of the first versions of renderings and the associated text.
Activities	<ol style="list-style-type: none"> 1. Consulting team members will prepare renderings and descriptive text in accordance with the direction from Task 2. 2. Overview (remote) of renderings and text during February 15 Town Council Work session.
Deliverables	<ol style="list-style-type: none"> 1. Initial drafts of the renderings/locations identified in Task 2 provided in pdf or jpeg formats. 2. Written descriptions associated with each rendering.
Town Responsibilities	<ol style="list-style-type: none"> 1. Receive and transmit renderings and descriptive text to Town Officials for review. 2. Schedule time on work session agenda.
Timing	Complete by 2.15.24
Cost	<ol style="list-style-type: none"> 1. Total cost for renderings is at the Town's discretion and based on desired number and type of renderings, provided at the following pricing: <ul style="list-style-type: none"> • \$2,800 for each aerial rendering; • \$2,000 for each eye-level rendering; and • The total rendering price for all renderings is split into thirds and is divided among the budget for Tasks 3, 4, and 5. 2. Task 3 includes 1/3 of total rendering price and an additional \$450 for written descriptions and overview at Town Council work session.

TASK 4. REVISIONS- ROUND ONE

Description	Discussion and revision of images and descriptions.
Activities	Teleconference with consulting team and Town Officials to discuss initial draft renderings and descriptions.
Deliverables	Revisions to initial draft to create 2 nd draft versions.
Town Responsibilities	<ol style="list-style-type: none"> 1. Review renderings/descriptions and prepare comments. 2. Participate in teleconference.
Timing	Complete by 3.1.24
Cost	<p>Task budget includes:</p> <ul style="list-style-type: none"> • 1/3 of total rendering cost; and • \$300 for discussion of Town comments.



TASK 5. REVISIONS- ROUND TWO

Description	Discussion and second revision of images.
Activities	<ol style="list-style-type: none"> 1. Teleconference with consulting team and Town Officials to discuss revised 3rd draft renderings and descriptions. 2. Presentation of 3rd draft versions to Town Council (in person).
Deliverables	<ol style="list-style-type: none"> 1. 3rd draft versions of renderings and associated descriptions. 2. Presentation of 3rd draft versions at Town Council Meeting on 3.19.24.
Town Responsibilities	<ol style="list-style-type: none"> 1. Review renderings/descriptions and prepare comments. 2. Participate in teleconference. 3. Schedule presentation at March Town Council meeting.
Timing	Complete by 3.19.24
Cost	<p>Task budget includes:</p> <ul style="list-style-type: none"> • 1/3 of total rendering cost; and • \$300 for discussion of Town comments; and • \$750 for presentation of 3rd draft or renderings and descriptions.

TASK 6. DELIVERY

Description	Delivery of digital versions of final renderings and descriptions.
Activities	Final revisions to renderings and descriptions, based on comments provided during Town Council meeting in March.
Deliverables	<ol style="list-style-type: none"> 1. Final versions of renderings in jpeg and pdf formats (suitable for reproduction and on-line posting). 2. Final versions of associated image descriptions.
Town Responsibilities	Receive final materials.
Timing	Complete by 4.1.24
Cost	\$300



PROJECT SCHEDULE

Task	Anticipated Start Date	Anticipated Finish Date	Duration (weeks)
Contract Execution	January 16, 2024		
Task 1: Project Initiation	1.22.24	1.26.24	1
Task 2: Vision Workshop with Town Officials	1.29.24	2.2.24	1
Task 3: Initial Renderings/Description	2.5.24	2.15.24	2
Task 4: Revisions – Round One	2.19.24	3.1.24	2
Task 5: Revisions – Round Two	3.4.24	3.19.24	2
Task 6: Delivery	3.20.24	4.1.24	2
TOTAL	10 Weeks		

PROPOSED BUDGET

Task	Price
Task 1: Project Initiation	\$1,200
Task 2: Vision Workshop with Town Officials	\$1,500
Task 3: Initial Renderings/Description	\$2,985 *
Task 4: Revisions – Round One	\$2,835 *
Task 5: Revisions – Round Two	\$3,585 *
Task 6: Delivery	\$300
TOTAL	\$12,405

Notes:

[*] This proposed budget assumes a total rendering price of \$7,600 for 2 aerial renderings and 1 eye-level rendering. The ultimate number and configuration of renderings is at the Town’s discretion. This proposed budget splits the total rendering price (\$7,600) into thirds: 1/3 of the total for Task 3, 1/3 of the total for Task 4, and 1/3 of the total for Task 5. These numbers will change if the configuration or total number of renderings changes. Also note that there is additional budget in Tasks 3-5 for discussion of draft work products.





TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Audit Presentation

Presenter: Bronwyn Burleson, C.P.A.

Attachment(s): Yes/No

- 2023 Audit – Final Draft

Summary of Item:

As required by S.L. 159-34, Bronwyn Burleson, of Burleson and Earley P.A., will present our annual audit.

Council Action Requested:

Receive report.

Suggested Motion:

N/A

Town of



North Carolina

**Financial Statements
For the Year Ended June 30, 2023**

Town of Laurel Park, North Carolina

Mayor

J. Carey O’Cain

Town Council

George W. Banta, Mayor Pro-Tem

Debra Hinson Bridges

Kristin Dunn

Paul Hansen

Management

Alex Carmichael, Town Manager

Bobbie K. Trotter, Chief of Police

Kirk Medlin, Finance Officer

Tamara Amin, Deputy Tax Collector

Brandon Johnson, Superintendent of Public Works

Final Draft

Town of Laurel Park, North Carolina

Table Of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 12
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position (Exhibit 1)	13
Statement of Activities (Exhibit 2)	14
Fund Financial Statements	
Balance Sheet – Governmental Funds (Exhibit 3)	15 - 16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit 4)	17 - 18
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual – General Fund (Exhibit 5)	19
Statement of Fund Net Position – Proprietary Funds (Exhibit 6)	20
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds (Exhibit 7)	21
Statement of Cash Flows – Proprietary Funds (Exhibit 8)	22
Notes to the Financial Statements	23 - 47
Required Supplementary Information	
Schedule of the Town's Proportionate Share of Net Pension Liability (Asset) – Local Government Employees' Retirement System	48
Schedule of the Town's Contributions – Local Government Employees' Retirement System	49
Schedule of Changes in Total Pension Liability – Law Enforcement Officers' Special Separation Allowance	50
Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance	51

Individual Fund Schedules

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – General Fund	52 – 55
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Highway 64 Sidewalk and Greenspace Capital Reserve Fund	56
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Laurel Green Stream Restoration Capital Reserve Fund	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Coronavirus State and Local Fiscal Recovery Grant Project Fund	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Roads and Powell Bill Capital Project Fund	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Laurel Green Stream Restoration Capital Project Fund	60
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Town Hall Capital Project Fund	61
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) - Stormwater Fund	62

Other Schedules

Schedule of Ad Valorem Taxes Receivable	63
Analysis of Current Tax Levy	64

Compliance Section

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	65 - 66
---	---------

BURLESON & EARLEY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the Governing Council
Laurel Park, North Carolina

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Laurel Park, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Laurel Park, North Carolina's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Laurel Park, North Carolina as of June 30, 2023, and the respective changes in financial position and cash flows, where appropriate, thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Town of Laurel Park's ABC Board, which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Laurel Park ABC Board, is based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Laurel Park, North Carolina, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Town of Laurel Park ABC Board were not audited in accordance with *Government Auditing Standards*.

POST OFFICE BOX 2125 ♦ CANDLER, NC 28715
902 SAND HILL ROAD ♦ ASHEVILLE, NC 28806
TELEPHONE: (828) 251-2846 ♦ FAX: (828) 665-8079

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Laurel Park, North Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Laurel Park, North Carolina's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the Local Government Employees' Retirement System's Schedules of Proportionate Share of the Net Pension Liability (Asset) and Contributions, on pages 48 and 49, respectively, and the Law Officers' Special Separation Allowance schedules of the changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 50 and 51 be presented to

supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Laurel Park, North Carolina's basic financial statements. The budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February ##, 2024 on our consideration of the Town of Laurel Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Laurel Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Laurel Park's internal control over financial reporting and compliance.

Burlison & Earley, P.A.

Certified Public Accountants

Asheville, North Carolina

February ##, 2024

Management's Discussion and Analysis

As management of the Town of Laurel Park (the Town), we offer readers of the Town of Laurel Park's financial statements this narrative overview and analysis of the financial activities of the Town of Laurel Park for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

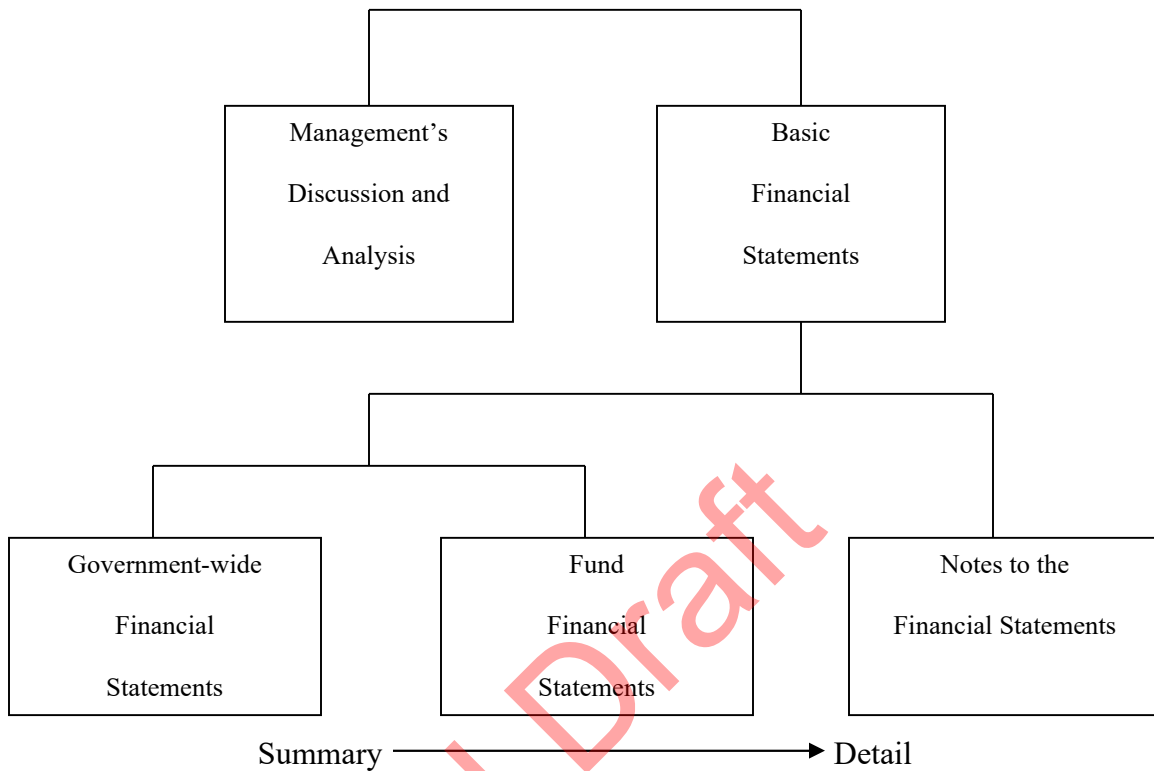
- The assets and deferred outflows of resources of the Town of Laurel Park *exceeded* its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,567,778 (net position).
- The Town's total net position *increased* by \$653,003, due to *increases* in the *government* activities of \$604,076 and *increases* in the *business-type* activities net position of \$48,927.
- The Town created a new governmental fund: Town Hall Capital Project. The fund was established to account for the design and construction of a Town Hall and the repurposing and redesign of the old Town Hall building. Funding for the project is from general fund balance appropriations.
- The Town received the second distribution of funding through the Coronavirus State and Local Fiscal Recovery Fund of H.R. 1319 American Rescue Plan of 2021 in the amount of \$371,283. The total received of \$742,566 will be used for stormwater improvements in future years. At June 30, 2023, costs of \$95,000 have been incurred.
- The Laurel Green Stream Restoration Capital Project is being funded with grant funds received in fiscal year 2022. At June 30, 2023, costs of \$177,521 have been incurred.
- As of the close of the current fiscal year, the Town's reported ending general fund balance of \$2,863,180 represents an *increase* of \$115,321 in comparison with the prior year. Approximately 76% of this total amount, or \$2,164,002, is available for spending at the government's discretion (**unassigned fund balance**).

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, street maintenance, trash collection, zoning administration, parks and greenways, and general administration. Property taxes, state shared revenues, and state and federal grant funds finance most of these activities. The business-type activity is one in which the Town charges customers to provide. This consists of stormwater services offered by the Town. The final category is the component unit. Although legally separate from the Town, the Laurel Park ABC Board is important to the Town. The Town exercises control over the Board by appointing its members and the Board is required to distribute a portion of its profits to the Town.

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

Fund Financial Statements

The fund financial statements (see Figure 2) 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, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the Town's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town 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 Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary comparison statement (Exhibit 5) 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 (Exhibit 5) uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting

and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town has one *Enterprise Fund*. The *Enterprise Fund* is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its stormwater activities. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 23-47 of this report.

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

Government-Wide Financial Analysis

The Town of Laurel Park’s Net Position
Figure 2

	Government Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 5,427,221	\$ 4,530,053	\$ 89,394	\$ 77,897	\$ 5,516,615	\$ 4,607,950
Capital assets	2,441,776	2,086,293	78,347	40,053	2,520,123	2,126,346
Right to use assets	280,780	189,301	-	-	280,780	189,301
Deferred outflows of resources	570,578	369,376	-	-	570,578	369,376
Total assets and deferred outflows of resources	8,720,355	7,175,023	167,741	117,950	8,888,096	7,292,973
Long-term liabilities outstanding	1,247,922	607,760	-	-	1,247,922	607,760
Other liabilities	972,268	404,397	864	-	973,132	404,397
Deferred inflows of resources	99,264	366,041	-	-	99,264	366,041
Total liabilities and deferred inflows of resources	2,319,454	1,378,198	864	-	2,320,318	1,378,198
Net Position:						
Net investment in capital assets	2,451,431	2,086,293	78,347	40,053	2,529,778	2,126,346
Restricted for stabilization by state statute	298,183	306,508	-	-	298,183	306,508
Restricted for capital projects	131,779	309,300	-	-	131,779	309,300
Restricted for capital reserves	129,912	90,964	-	-	129,912	90,964
Restricted for streets	71,083	-	-	-	71,083	-
Unrestricted	3,318,513	3,003,760	88,530	77,897	3,407,043	3,081,657
Total net position	\$ 6,400,901	\$ 5,796,825	\$ 166,877	\$ 117,950	\$ 6,567,778	\$ 5,914,775

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 exceeded liabilities and deferred inflows by \$6,567,778 as of June 30, 2023. The Town’s net position *increased* by \$653,003 for the fiscal year ended June 30, 2023. The largest portion (52%) of the balance, \$3,407,043, is unrestricted. Of the remaining balance, \$298,183 is restricted for stabilization by state statute, \$131,779 is restricted for capital projects,

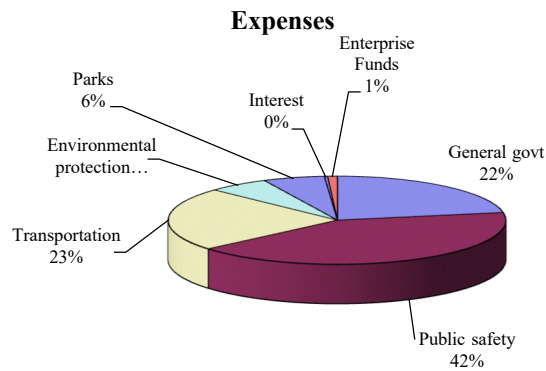
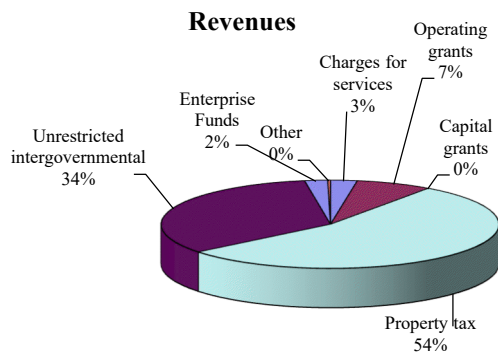
\$129,912 is restricted for capital reserves, \$71,083 is restricted for Streets and \$2,529,778 reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, equipment and right to use assets). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

- A tax collection rate of 99.69%, which exceeds the 2022 statewide average of 99.28% for communities within the population less than 50,000. Collections are budgeted at 98.5% for property and motor vehicles.
- Maintained a tax rate of \$0.435 for fiscal year 2023, of which \$0.10 is for fire protection.
- An increase in the Town's investment earning rates generated \$125,282 of additional revenue.

Town of Laurel Park's Changes in Net Position
Figure 3

	Government Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 13,146	\$ 5,790	\$ 77,988	\$ 78,525	\$ 91,134	\$ 84,315
Operating grants and contributions	262,454	143,085	-	-	262,454	143,085
Capital grants and contributions	-	317,000	-	-	-	317,000
General Revenues:						
Property taxes	2,009,879	1,951,328	-	-	2,009,879	1,951,328
Unrestricted intergovernmental revenues	1,236,426	1,197,837	-	-	1,236,426	1,197,837
Unrestricted investment earnings	128,386	3,104	-	-	128,386	3,104
Gain (loss) on sale of capital assets	22,042	-	-	-	22,042	-
Other	14,996	6,371	-	-	14,996	6,371
Total Revenues	3,687,329	3,624,515	77,988	78,525	3,765,317	3,703,040
Expenses:						
General government	691,343	580,214	-	-	691,343	580,214
Public safety	1,293,453	1,152,370	-	-	1,293,453	1,152,370
Transportation	724,297	868,150	-	-	724,297	868,150
Environmental protection	181,343	168,263	-	-	181,343	168,263
Parks	183,262	140,463	-	-	183,262	140,463
Interest on long-term debt	9,555	6,079	-	-	9,555	6,079
Stormwater	-	-	29,061	23,996	29,061	23,996
Total Expenses	3,083,253	2,915,539	29,061	23,996	3,112,314	2,939,535
Change in net position before special items and transfers	604,076	708,976	48,927	54,529	653,003	763,505
Special item - Closing water and sewer funds	-	926,374	-	(926,374)	-	-
Change in net position	604,076	1,635,350	48,927	(871,845)	653,003	763,505
Net position, July 1, as previously reported	5,796,825	4,162,630	117,950	989,795	5,914,775	5,152,425
Prior period restatement - change in accounting principle	-	(1,155)	-	-	-	(1,155)
Net position, July 1, as restated	5,796,825	4,161,475	117,950	989,795	5,914,775	5,151,270
Net position, June 30	\$ 6,400,901	\$ 5,796,825	\$ 166,877	\$ 117,950	\$ 6,567,778	\$ 5,914,775



Governmental activities: Governmental activities *increased* the Town’s net position by \$604,076. Revenues, excluding any appropriations, exceeded budget estimates. The most significant increases in revenues over the prior year were in the categories of ad valorem taxes, sales taxes, ABC Board revenues and grants. Expenditures were less than budget estimates in all departments except Public Safety. Salaries, retirement and other employee benefits increased due to the following items: a salary study conducted in FY2022, increases in local government retirement benefit match percentage set by the State, and inflationary cost increases in group health insurance for Town employees.

Business-type activities: Business-type activities *increased* the Town’s net position by \$48,927 due to the stormwater fund operations.

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

Governmental Funds – The focus of the Town’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’s financing requirements. Specifically, unreserved fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance available in the General Fund was \$2,164,002, while total fund balance reached \$2,863,180. The Town currently has an available fund balance of 67% percent of total General Fund expenditures, while the total fund balance represents 89% of the same amount.

General Fund Budgetary Highlights – During the fiscal year, the Town revised the budget on several occasions. 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. The following summarizes the most significant adjustments made with the amendments:

- An amendment was made to formalize and update the design and construction costs for the Town Hall Capital Project.
- Historical markers which were originally in the FY23 budget as operating expenses were reclassified to Capital Outlay.

Proprietary Funds – The Town’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Stormwater Fund is \$166,877. The total *increase* in net position occurring in the fiscal year for the Stormwater Fund was \$48,927. Other factors concerning the finances of the Stormwater Fund have already been addressed in the discussion of the Town’s business-type activities.

Proprietary Fund Budgetary Highlights - The overall costs associated with operating the stormwater system were below budget projections.

Capital Asset and Debt Administration

Capital Assets – The Town’s capital assets for its governmental and business–type activities as of June 30, 2023, total \$2,800,903 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, park facilities, vehicles, and right to use assets for leases and IT subscriptions.

Major capital asset transactions during the year include the following significant additions and dispositions:

- Purchase of equipment for public works and parks.
- Parking lot refurbishment at Jump Off Rock.
- Glen Rock Spring Park improvements.
- Purchase of historical markers.
- Leased 2 new vehicles.
- Construction started on the Laurel Green Stream Restoration project.
- Construction started for the stormwater improvements.
- Planning began for road projects.
- Equipment was sold through GovDeals Inc with proceeds totaling \$22,042.

**Town of Laurel Park’s Capital Assets
(net of accumulated depreciation)**

Figure 4

	Government Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,133,155	\$ 1,133,155	\$ -	\$ -	\$ 1,133,155	\$ 1,133,155
Projects in process	421,774	76,035	-	-	421,774	-
Land Improvements	338,831	313,949	44,777	40,053	383,608	354,002
Buildings	332,406	349,972	-	-	332,406	349,972
Furniture and fixtures	22,336	18,101	-	-	22,336	18,101
Equipment	158,827	128,040	33,570	-	192,397	128,040
Computer equipment and software	5,602	8,225	-	-	5,602	8,225
Distribution system	-	-	-	-	-	-
Vehicles	28,845	58,816	-	-	28,845	58,816
Right to use assets - leases	218,044	189,301	-	-	218,044	189,301
Right to use assets - IT subscriptions	62,736	-	-	-	62,736	-
Net assets, June 30	<u>\$ 2,722,556</u>	<u>\$ 2,275,594</u>	<u>\$ 78,347</u>	<u>\$ 40,053</u>	<u>\$ 2,800,903</u>	<u>\$ 2,239,612</u>

Additional information on the Town’s capital assets can be found in Note 2 on pages 33-34 of the Basic Financial Statements.

Long-term Debt

As of June 30, 2023, the Town has long-term debt of \$1,247,922.

Town of Laurel Park’s Long-Term Debt
Figure 5

	Beginning of year	Additions	Retirements	End of year
Governmental Activities:				
Lease liabilities	\$ 170,717	\$ 84,750	\$ 49,835	\$ 205,632
IT subscriptions	95,468	-	29,975	65,493
Accrued vacation	64,100	46,897	42,165	68,832
Net pension liability (LGERS)	212,863	500,213	-	713,076
Total pension liability (LEO)	160,080	34,809	-	194,889
Total long-term debt	<u>\$ 703,228</u>	<u>\$ 666,669</u>	<u>\$ 121,975</u>	<u>\$ 1,247,922</u>

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for the Town is approximately \$37 million.

Additional information regarding the Town of Laurel Park’s long-term debt can be found on pages 44 - 46 of the notes to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The following key economic indicators were used in the budget preparation for the fiscal year ending June 30, 2024.

- COVID-19 continues to create an environment which causes an ongoing effect on supply chains and interest rates. Town staff will continue to monitor the changing economic conditions.
- The Town’s tax base has increased. Staff projects a 34% (651,870) increase in property taxes. Town staff expect the property tax collection rate to be 99%.
- After a property tax revaluation, the Town’s rate per \$100 decreased from \$0.435 to \$0.395 per \$100 valuation. Each penny of the tax rate generates approximately \$62,000 in revenue. Of the 39.5 cents in taxes, 9 cents are paid to Valley Hill Fire & Rescue Department for fire protection services, and 30.5 cents is retained by the Town for General Fund services.
- Sales tax revenue is projected to increase. The FY 2024 Budget contains an increase of \$47,000, or 6% from the FY 23 budget.
- Health Insurance premiums are budgeted to increase 1% in FY 2024 as part of the State Health Plan.
- Employees received a 2% COLA and a merit-based increase of up to 7.5%.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities:

- The adopted General Fund budget is \$4,153,921, based on an ad valorem tax rate on property of 39.5 cents per \$100 valuation.
- There is a fund balance appropriation of \$200,000 in the adopted budget.
- The Town will continue investing in street infrastructure improvements through the Roads and Powell Bill Capital Project Fund.
- The Laurel Green Stream Restoration project is projected for completion.

Business – type Activities:

- The adopted Stormwater Fund budget is \$149,915.
- There is a fund balance appropriation of \$76,915 in the adopted budget.
- The Town will continue investing in stormwater infrastructure improvements, with a focus on the repair and/or replacement of culverts to reduce flooding and road damage.

Requests for Information

This report is designed to provide an overview of the Town finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Alex Carmichael, Town Manager, 441 White Pine Drive, Laurel Park, NC 28739-0910, Telephone: 828-693-4840, or townmanager@laurelpark.org.

Final Draft

BASIC FINANCIAL STATEMENTS

Final Draft

Town of Laurel Park, North Carolina
Statement of Net Position
June 30, 2023

Exhibit 1

	Primary Government			Town of Laurel Park ABC Board
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,867,554	\$ 78,015	\$ 3,945,569	\$ 282,495
Taxes receivable (net)	8,902	-	8,902	-
Accounts receivable (net)	14,133	11,379	25,512	-
Interest receivable	5,943	-	5,943	-
Due from other governments	262,872	-	262,872	-
Due from component unit	15,235	-	15,235	-
Inventories	-	-	-	227,065
Prepaid items	-	-	-	14,080
Restricted cash and cash equivalents	1,252,582	-	1,252,582	-
Total current assets	5,427,221	89,394	5,516,615	523,640
Non-current assets:				
Capital assets (Note 2):				
Land and other non-depreciable assets	1,554,929	-	1,554,929	-
Other capital assets, net of depreciation	886,847	78,347	965,194	-
Right to use assets, net of amortization	280,780	-	280,780	329,016
Total capital assets	2,722,556	78,347	2,800,903	329,016
Total assets	8,149,777	167,741	8,317,518	852,656
Deferred Outflows of Resources				
Pension deferrals	570,578	-	570,578	29,056
Liabilities				
Current liabilities:				
Current portion of long-term liabilities	95,953	-	95,953	22,774
Accounts payable	52,460	864	53,324	185,270
Liabilities to be paid from restricted assets	919,808	-	919,808	-
Due to primary government	-	-	-	15,235
Long-term liabilities:				
Due in more than one year	1,151,969	-	1,151,969	360,403
Total liabilities	2,220,190	864	2,221,054	583,682
Deferred Inflows of Resources				
Pension deferrals	99,264	-	99,264	517
Net Position				
Net investment in capital assets	2,451,431	78,347	2,529,778	-
Restricted for:				
Working capital	-	-	-	60,358
Stabilization by state statute	298,183	-	298,183	-
Restricted for streets	71,083	-	71,083	-
Capital projects	131,779	-	131,779	-
Capital reserves	129,912	-	129,912	-
Unrestricted	3,318,513	88,530	3,407,043	237,155
Total net position	\$ 6,400,901	\$ 166,877	\$ 6,567,778	\$ 297,513

The accompanying notes are an integral part of the financial statements.

Town of Laurel Park, North Carolina
Statement of Activities
For the Year Ended June 30, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Town of Laurel Park ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental Activities:								
General government	\$ 691,343	\$ -	\$ -	\$ -	\$ (691,343)	\$ -	\$ (691,343)	\$ -
Public safety	1,293,453	13,146	16,281	-	(1,264,026)	-	(1,264,026)	-
Transportation	724,297	-	199,017	-	(525,280)	-	(525,280)	-
Environmental protection	181,343	-	-	-	(181,343)	-	(181,343)	-
Parks	183,262	-	47,156	-	(136,106)	-	(136,106)	-
Interest on long-term debt	9,555	-	-	-	(9,555)	-	(9,555)	-
Total governmental activities	3,083,253	13,146	262,454	-	(2,807,653)	-	(2,807,653)	-
Business-type activities:								
Stormwater	29,061	77,988	-	-	-	48,927	48,927	-
Total primary government	\$ 3,112,314	\$ 91,134	\$ 262,454	\$ -	(2,807,653)	48,927	(2,758,726)	\$ -
Component unit:								
ABC Board	\$ 2,034,872	\$ 2,041,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,339
General revenues:								
Property taxes, levied for general purpose					2,009,879	-	2,009,879	-
Unrestricted intergovernmental revenues					1,236,426	-	1,236,426	-
Unrestricted investment earnings					128,386	-	128,386	1,120
Gain on sale of assets					22,042	-	22,042	-
Miscellaneous					14,996	-	14,996	-
Total general revenues					3,411,729	-	3,411,729	1,120
Change in net position					604,076	48,927	653,003	7,459
Net position, beginning					5,796,825	117,950	5,914,775	290,054
Net position, ending					\$ 6,400,901	\$ 166,877	\$ 6,567,778	\$ 297,513

The accompanying notes are an integral part of the financial statements.

Town of Laurel Park, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3

	Major Funds				Non-Major Fund	Total Governmental Funds
	General Fund	Coronavirus State and Local Fiscal Recovery Grant Project	Roads and Powell Bill Capital Project Fund	Laurel Green Stream Restoration Capital Project Fund	Town Hall Capital Project Fund	
Assets						
Current assets:						
Cash and cash equivalents	\$ 2,485,294	\$ -	\$ 1,072,360	\$ -	\$ 309,900	\$ 3,867,554
Receivables, net:						
Taxes	8,902	-	-	-	-	8,902
Interest	5,943	-	-	-	-	5,943
Accounts	14,133	-	-	-	-	14,133
Due from other governments	262,872	-	-	-	-	262,872
Due from component unit	15,235	-	-	-	-	15,235
Prepaid expenses	-	-	-	-	-	-
Restricted cash and cash equivalents	200,995	742,565	-	309,022	-	1,252,582
Total assets	\$ 2,993,374	\$ 742,565	\$ 1,072,360	\$ 309,022	\$ 309,900	\$ 5,427,221
Liabilities						
Accounts payable	52,460	95,000	-	177,243	-	324,703
Unearned revenues	-	647,565	-	-	-	647,565
Accrued vacation	68,832	-	-	-	-	68,832
Total liabilities	121,292	742,565	-	177,243	-	1,041,100
Deferred Inflows of Resources						
Property taxes receivable	8,902	-	-	-	-	8,902
Total deferred inflows of resources	8,902	-	-	-	-	8,902
Fund Balances						
Restricted						
Stabilization by State Statute	298,183	-	-	-	-	298,183
Streets	71,083	-	-	-	-	71,083
Capital projects	-	-	-	131,779	-	131,779
Capital reserves	129,912	-	-	-	-	129,912
Assigned						
Subsequent year's expenditures	200,000	-	-	-	-	200,000
Capital projects	-	-	1,072,360	-	309,900	1,382,260
Unassigned	2,164,002	-	-	-	-	2,164,002
Total fund balances	2,863,180	-	1,072,360	131,779	309,900	4,377,219
Total liabilities, deferred inflows of resources and fund balances	\$ 2,993,374	\$ 742,565	\$ 1,072,360	\$ 309,022	\$ 309,900	\$ 5,427,221

The accompanying notes are an integral part of the financial statements.

Town of Laurel Park, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3
(continued)

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balance, governmental funds	\$	4,377,219
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.		
Gross capital assets at historical cost		4,083,180
Accumulated depreciation		(1,641,404)
		2,441,776
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in funds.		
Right to use assets at historical cost		423,516
Accumulated amortization		(142,736)
		280,780
Deferred outflows of resources related to pensions are not reported in the funds		570,578
Earned revenues considered deferred inflows of resources in fund statements.		8,902
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)		(271,125)
Net pension liability		(713,076)
Total pension liability		(194,889)
Deferred inflows of resources related to pensions are not reported in the funds		(99,264)
	\$	6,400,901

The accompanying notes are an integral part of the financial statements.

Town of Laurel Park, North Carolina
Statement of Revenue, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

Exhibit 4

	<u>Major Funds</u>			<u>Non-Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Coronavirus State and Local Fiscal Recovery Grant Project</u>	<u>Roads and Powell Bill Capital Project Fund</u>	<u>Laurel Green Stream Restoration Capital Project Fund</u>	<u>Town Hall Capital Project Fund</u>	
Revenues:						
Ad valorem taxes	\$ 2,005,373	\$ -	\$ -	\$ -	\$ -	\$ 2,005,373
Unrestricted intergovernmental revenues	1,236,426	-	-	-	-	1,236,426
Restricted intergovernmental revenues	120,298	95,000	-	-	-	215,298
Permits and fees	13,146	-	-	-	-	13,146
Investment earnings	128,386	-	-	-	-	128,386
Miscellaneous	62,154	-	-	-	-	62,154
Total revenues	<u>3,565,783</u>	<u>95,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,660,783</u>
Expenditures:						
Current:						
General government	683,675	-	-	-	15,100	698,775
Public safety	1,266,123	-	-	-	-	1,266,123
Transportation	739,971	95,000	27,640	-	-	862,611
Environmental protection	181,343	-	-	-	-	181,343
Parks	267,245	-	-	177,521	-	444,766
Debt service:						
Principal	79,810	-	-	-	-	79,810
Interest	9,555	-	-	-	-	9,555
Total expenditures	<u>3,227,722</u>	<u>95,000</u>	<u>27,640</u>	<u>177,521</u>	<u>15,100</u>	<u>3,542,983</u>
Revenues over (under) expenditures	338,061	-	(27,640)	(177,521)	(15,100)	117,800
Other financing sources (uses):						
Lease liabilities issued	84,750	-	-	-	-	84,750
IT subscription agreement	95,468	-	-	-	-	95,468
Sale of capital assets	22,042	-	-	-	-	22,042
Transfer from other funds	-	-	100,000	-	325,000	425,000
Transfers to other funds	(425,000)	-	-	-	-	(425,000)
	<u>(222,740)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>325,000</u>	<u>202,260</u>
Net change in fund balance	115,321	-	72,360	(177,521)	309,900	320,060
Fund balances						
Beginning of year, July 1	2,747,859	-	1,000,000	309,300	-	4,057,159
End of year, June 30	<u>\$ 2,863,180</u>	<u>\$ -</u>	<u>\$ 1,072,360</u>	<u>\$ 131,779</u>	<u>\$ 309,900</u>	<u>\$ 4,377,219</u>

The accompanying notes are an integral part of these financial statements.

Town of Laurel Park, North Carolina
Reconciliation of the Statement of Revenue, Expenditures, and
Changes in Fund Balance of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Exhibit 4
(continued)

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

Net changes in fund balances - governmental funds		\$ 320,060
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimate useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	466,255	
Depreciation expense for governmental assets	<u>(110,772)</u>	355,483
Right to use leased asset capital outlay expenditures which were capitalized	84,750	
Amortization expense for intangible assets	<u>(88,739)</u>	(3,989)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		138,873
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		4,505
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
New long-term debt issued	(84,750)	
Principal payments on long-term debt	<u>79,810</u>	(4,940)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Pension expense		(177,110)
Other postemployment benefits		<u>(28,806)</u>
Total change in net position of governmental activities		<u>\$ 604,076</u>

The accompanying notes are an integral part of the financial statements.

**Town of Laurel Park, North Carolina
General Fund**

Exhibit 5

**Statement of Revenue, Expenditures, and Changes in Fund Balance-Budget and Actual
For the Year Ended June 30, 2023**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 1,920,000	\$ 1,920,000	\$ 2,005,373	\$ 85,373
Unrestricted intergovernmental revenues	1,025,600	1,025,600	1,236,426	210,826
Restricted intergovernmental revenues	110,000	110,000	120,298	10,298
Permits and fees	5,100	5,100	13,146	8,046
Investment earnings	1,000	1,000	128,386	127,386
Miscellaneous	19,000	19,000	62,154	43,154
Total revenues	3,080,700	3,080,700	3,565,783	485,083
Expenditures:				
General government	693,135	713,134	683,675	29,459
Public safety	1,218,047	1,221,027	1,266,123	(45,096)
Transportation	750,050	750,050	729,705	20,345
Environmental protection	195,000	195,000	181,343	13,657
Parks	249,520	241,585	230,293	11,292
Debt service:				
Principal retirement	89,445	86,465	79,810	6,655
Interest and other charges	9,555	9,555	9,555	-
Total expenditures	3,204,752	3,216,816	3,180,504	36,312
Revenues over (under) expenditures	(124,052)	(136,116)	385,279	521,395
Other financing sources (uses):				
Lease liabilities issued	-	-	84,750	84,750
IT subscription agreement	-	-	95,468	95,468
Sale of capital assets	20,000	20,000	22,042	2,042
Fund balance appropriated	290,218	627,282	-	(627,282)
Transfers to other funds	(186,166)	(511,166)	(511,166)	-
Total other financing sources (uses):	124,052	136,116	(308,906)	(445,022)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	76,373	\$ 76,373
Fund balances				
Beginning of year, July 1			2,656,895	
End of year, June 30			\$ 2,733,268	
 Legally budgeted Highway 64 Sidewalk and Greenspace Capital Reserve Fund and Laurel Green Stream Restoration Capital Reserve Fund are consolidated in the General Fund for reporting purposes:				
Professional services			(41,318)	
Contracted services			(4,854)	
Miscellaneous			(1,046)	
Transfers from the general fund			86,166	
Fund balance, beginning			90,964	
Fund balance, ending (Exhibit 3)			\$ 2,863,180	

The accompanying notes are an integral part of the financial statements.

Town of Laurel Park, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2023

Exhibit 6

		<u>Non-Major Enterprise Fund Stormwater Fund</u>
Assets		
Current assets:		
Cash and cash equivalents	\$	78,015
Accounts receivables (net)-billed		11,379
Restricted cash and cash equivalents		-
Total current assets		<u>89,394</u>
Noncurrent assets:		
Capital assets:		
Other capital assets, net of depreciation		78,347
Capital assets (net)		<u>78,347</u>
Total noncurrent assets		<u>78,347</u>
Total assets		<u>167,741</u>
Deferred Outflows of Resources		
Pension deferrals		<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable		864
Total current liabilities		<u>864</u>
Deferred Inflows of Resources		
Pension deferrals		<u>-</u>
Net Position		
Net investment in capital assets		78,347
Unrestricted		88,530
Total net position	\$	<u><u>166,877</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Laurel Park, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

Exhibit 7

	Non-Major Enterprise Fund Stormwater Fund
Operating Revenues	
Charges for services	\$ 77,988
Total operating revenues	77,988
Operating Expenses	
Administration	12,866
Operations	11,734
Depreciation	4,461
Total operating expenses	29,061
Operating income (loss)	48,927
Nonoperating revenues (expenses)	
Total nonoperating revenues	-
Change in net position	48,927
Total net position, beginning	117,950
Total net position, ending	\$ 166,877

The accompanying notes are an integral part of the financial statements.

Town of Laurel Park, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

Exhibit 8

	Non-Major Enterprise Fund	Stormwater Fund
Cash flows from operating activities:		
Cash received from customers	\$ 73,735	
Cash paid for goods and services	(24,600)	
Net cash provided (used) by operating activities	49,135	
 Cash flows from capital and related financing activities:		
Purchase of capital assets	(42,755)	
Net cash provided (used) by capital and financing activities	(42,755)	
Net (decrease) increase in cash and cash equivalents	6,380	
Cash and cash equivalents, beginning of year	71,635	
Cash and cash equivalents, end of year	\$ 78,015	
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 48,927	
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,461	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(5,117)	
Increase (decrease) in accounts payable	864	
Total adjustments	208	
Net cash provided (used) by operating activities	\$ 49,135	

The accompanying notes are an integral part of the financial statements.

Town of Laurel Park, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Town of Laurel Park, North Carolina (the Town) and its discretely presented component unit conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation, which is governed by an elected mayor and a four-member council. The municipality utilizes the council-manager form of government. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statement in order to emphasize that it is legally separate from the Town.

Town of Laurel Park ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative office located at 1709 Brevard Road, Hendersonville, NC 28791.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

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 and State grants and various other taxes and licenses. The primary expenditures are for general government services, public safety, streets and highways, environmental protection and parks. The Town has two separate capital reserve funds that are consolidated with the general fund in accordance with the guidance of GASB 54.

Coronavirus State and Local Recovery Grant Project Fund: This fund was established to account for the funds received by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021. The Town will use the funds for stormwater infrastructure.

Roads and Powell Bill Capital Project Fund: The fund was established to account for improvement of Town roads and will be funded through general fund appropriations.

Laurel Green Stream Restoration Capital Project Fund: The fund was established to account for improvement of Town streams. Funding for the project is from a grant from the North Carolina Department of Public Safety.

The Town reports the following non-major governmental fund:

Town Hall Capital Project Fund: The fund was established to account for the design and construction of a Town Hall and the repurposing and redesign of the old Town Hall building. Funding for the project is from general fund balance appropriations.

The Town reports no major enterprise funds at June 30, 2023. The Town stormwater fund continues operations, with revenues billed and collected by the City of Hendersonville and remitted to the Town on a monthly basis.

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 and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-

wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include operation and administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accrued vacation, 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 and IT subscriptions are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. 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 and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by Henderson 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. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-

reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Town's budget is adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Highway 64 Sidewalk and Greenspace Capital Reserve Fund, the Laurel Green Stream Restoration Project Capital Reserve Fund, and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Coronavirus State and Local Fiscal Recovery Grant Fund, Roads and Powell Bill Capital Project Fund, Laurel Green Stream Restoration Capital Project Fund, and the Town Hall Capital Project Fund. 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. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

State law (G.S. 159-30(c)) authorizes the Town and the ABC Board 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 Cash Management Trust (NCCMT). The Town's and the ABC Board's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at cost, which approximates fair value, and is the NCCMT's share price. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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. The ABC Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Restricted Assets

The cash and cash equivalent balances for both the Highway 64 Sidewalk Capital Reserve Fund and the Laurel Green Stream Restoration Project Capital Reserve Fund are classified as restricted as their use has been restricted to capital needs. The Coronavirus State and Local Recovery Grant Project Fund and the Laurel Green Stream Restoration Capital Project Fund cash are restricted as its use was restricted by the

original grant proceeds received by the funds. Powell Bill funds are also classified as restricted cash because it 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.

Town of Laurel Park Restricted Cash

Governmental Activities	
General Fund	
Streets	\$ 71,083
Capital Reserve for Highway 64	109,734
Capital Reserve for Laurel Green Stream	20,178
Coronavirus State and Local Fiscal Recovery Grant Project	742,565
Laurel Green Stream Restoration Capital Project	309,022
Total Restricted Cash - Governmental Activities	\$ 1,252,582

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, 2022. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town’s General Fund, ad valorem tax revenues are reported net of such discounts.

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.

Inventory and Prepaid Items

The inventory of the ABC Board is valued at cost (last-in, first-out), which approximates market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-side and fund financial statements and expensed as the items are used.

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 cost is \$1,000. 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 capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

The Town and the ABC Board capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the Town reports a lease (only applies when the Town is the lessee) or agreements where the Town reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term will be reported as a prepayment (asset). Such prepayments will be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives will be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount will be included in the initial measurement of the subscription asset. The right to use subscription assets are to be amortized on a straight-line basis over the subscription term.

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

Asset Class	Estimated Useful Lives(years)
Building	40
Land Improvements	10-50
Plant & Distribution System	10-50
Furniture	10
Equipment and Vehicles	7
Computer Equipment	7-10
Computer Software	10

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meet this criterion, pension deferrals for the 2023 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category – property taxes receivable unavailable revenues (reported only on the Balance Sheet of the Governmental Funds) and pension deferrals.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.

Accrued Vacation

Each full-time employee of the Town shall earn annual leave at the following schedule, prorated by the average number of hours in the workweek:

<u>Years of Service</u>	<u>Accrued Per Year</u>
0 – 4	two (2) weeks
5 – 9	three (3) weeks
10 +	four (4) weeks

Vacation leave may be accumulated without any applicable maximum until December 31 of each year. However, if the employee departs from service, payment for accumulated vacation leave shall not exceed two hundred forty (240) hours. Effective the last payroll in the calendar year, any employee with more than two hundred forty (240) hours of accumulated leave shall have the excess accumulation removed. Employees who take a minimum of one week (5 days for a regular work week employee) of vacation during the calendar year may have any excess vacation leave over two hundred forty (240) hours converted to sick leave. Employees who do not take a minimum of one week or 40 hours of vacation will lose the excess vacation. The Town records a liability for accrued vacation.

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

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balance

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

The governmental fund types classify fund balance as follows:

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

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

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

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

Restricted for 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 Capital Reserve for Highway 64 Sidewalk and Greenspace – the portion of fund balance restricted by the Board for the construction of greenspaces, sidewalks and pedestrian amenities along Highway 64/Brevard Road.

Restricted for Capital Reserve for Laurel Green Stream Restoration Project – the portion of fund balance restricted by the Board for the construction and restoration of the Laurel Green Stream.

Restricted for Capital Projects – the portion of fund balance restricted by the revenue source for grant and capital projects.

Committed Fund Balance – the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body (highest level of decision-making authority). 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 – the portion of fund balance that the Town intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed. The governing body approves the appropriations; however, the budget ordinance authorizes the Finance Officer to reallocate departmental appropriations among the various expenditures within each department. The authority also permits the Finance Officer to make interdepartmental transfers of minor budget amendments not to exceed 10% (ten percent) of the appropriated funds for the department's allocation that is being used.

Assigned for capital projects – portion of fund balance that is appropriated for the Roads and Powell Bill Capital Project Fund.

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 Laurel Park has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

Reimbursement for Pandemic-related Expenditures

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The Town was allocated \$742,566 of the fiscal recovery funds to be paid in two equal installments. The first installment of \$371,283 was received in July 2021 and was reported in the Coronavirus State and Local Recovery Grant Project Fund as unearned revenue. The second installment was received in July 2022. The Town plans to use these funds for stormwater infrastructure improvements. At June 30, 2023, expenditures totaled \$95,000.

Defined Benefit Cost-Sharing Plans

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

Note 2 – Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2023, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for public safety activities by \$45,096. This over-expenditure occurred primarily due to a new lease of a police vehicle and implementation of GASB 96,

with resulted in expenditures in excess of budget in capital outlay. Management and the Board will more closely review the budget reports to ensure compliance in future years.

Note 3 – Detail Notes on All Funds

A. Assets

Deposits

All the deposits of the Town and the ABC Board 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 or ABC Board's agent 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 and the ABC Board, these deposits are considered to be held by the Town's and the ABC Board's agents in their names. 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 ABC Board or their escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town or the ABC Board 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 and the ABC Board do not have a deposit policy for custodial credit risk.

On June 30, 2023, the Town's deposits had a carrying amount of \$1,417,976 and a bank balance of \$1,432,269. The carrying amount of the deposits for the ABC Board was \$281,176 and a bank balance of \$269,620. Of the bank balance of the Town, \$442,000 is covered by federal depository insurance and the balance is covered under the Pooling Method. Of the bank balance of the ABC Board, \$250,000 is covered by federal depository insurance and the balance is covered under the Pooling Method.

Investments

At June 30, 2023, the Town of Laurel Park had \$3,780,175 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's (S&P). The Town has no policy regarding credit risk.

At June 30, 2023, the ABC Board had no investments.

Receivables - Allowances for Doubtful Accounts

The amounts of taxes receivable presented in the Balance Sheet and the Statement of Net Position included penalties levied and outstanding in the amount of \$5,943. The amounts presented in the Balance Sheet and the Statement of Net Position for receivables are net of the allowance for doubtful accounts for taxes receivable of \$10,752.

Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,133,155	\$ -	\$ -	\$ 1,133,155
Projects in process	76,035	345,739	-	421,774
Total capital assets not being depreciated	<u>1,209,190</u>	<u>345,739</u>	<u>-</u>	<u>1,554,929</u>
Capital Assets Being Depreciated:				
Land Improvements	512,958	38,920	-	551,878
Buildings	684,984	-	-	684,984
Furniture & Fixtures	48,351	8,579	-	56,930
Equipment	385,944	73,017	10,164	448,797
Computer Equipment	41,682	-	-	41,682
Vehicles	771,957	-	27,977	743,980
Total capital assets being depreciated	<u>2,445,876</u>	<u>120,516</u>	<u>38,141</u>	<u>2,528,251</u>
Less Accumulated Depreciation For:				
Land Improvements	199,009	14,038	-	213,047
Buildings	335,012	17,566	-	352,578
Furniture & Fixtures	30,250	4,344	-	34,594
Equipment	257,904	42,230	10,164	289,970
Computer Equipment	33,457	2,623	-	36,080
Vehicles	713,141	29,971	27,977	715,135
Total accumulated depreciation	<u>1,568,773</u>	<u>110,772</u>	<u>38,141</u>	<u>1,641,404</u>
Total capital assets being depreciated, net	<u>877,103</u>	<u>9,744</u>	<u>-</u>	<u>886,847</u>
Capital assets being amortized:				
Right to use assets				
Leased vehicles	\$ 197,874	\$ 84,750	\$ -	\$ 282,624
Leased office equipment	8,823	-	-	8,823
Leased computer equipment	36,601	-	-	36,601
IT Subscriptions	95,468	-	-	95,468
Total right to use assets	<u>338,766</u>	<u>84,750</u>	<u>-</u>	<u>423,516</u>
Less accumulated amortization for:				
Leased vehicles	42,873	44,883	-	87,756
Leased office equipment	2,161	2,161	-	4,322
Leased computer equipment	8,963	8,963	-	17,926
IT Subscriptions	-	32,732	-	32,732
Total accumulated amortization	<u>53,997</u>	<u>88,739</u>	<u>-</u>	<u>142,736</u>
Total capital assets being amortized, net	<u>284,769</u>	<u>(3,989)</u>	<u>-</u>	<u>280,780</u>
Governmental Activities capital assets, net	<u>\$ 2,371,062</u>	<u>\$ 351,494</u>	<u>\$ -</u>	<u>\$ 2,722,556</u>

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

General government	\$ 34,527
Public Safety	60,519
Transportation	81,881
Parks	<u>22,584</u>
	<u>\$ 199,511</u>

Business-Type:

The capital assets for the Proprietary Stormwater Fund for the year ended June 30, 2023 are as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Stormwater Improvements	\$ 42,284	\$ 6,133	\$ -	\$ 48,417
Furniture and equipment	-	<u>36,622</u>	-	<u>36,622</u>
Total capital assets being depreciated	<u>42,284</u>	<u>42,755</u>	<u>-</u>	<u>85,039</u>
Less Accumulated Depreciation For:				
Stormwater Improvements	2,231	1,409	-	3,640
Furniture and equipment	-	<u>3,052</u>	-	<u>3,052</u>
Total accumulated depreciation	<u>2,231</u>	<u>4,461</u>	<u>-</u>	<u>6,692</u>
Total capital assets being depreciated, net	<u>40,053</u>			<u>78,347</u>
Stormwater Fund Capital Assets, Net	<u>\$ 40,053</u>			<u>\$ 78,347</u>

Construction Commitments

The Town has active construction projects as of June 30, 2023. At year end, the Town's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Stormwater Improvements	\$ 95,000	\$538,565
Laurel Green Stream Restoration	<u>177,243</u>	<u>240,257</u>
	<u>\$272,243</u>	<u>\$778,822</u>

Discretely presented component unit

The capital assets to be depreciated of the Town of Laurel Park ABC Board are fully depreciated as of June 30, 2023. Right to use asset activity for the ABC Board for the year ended June 30, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets being amortized:				
Right to use assets				
Leased building	\$ 383,474	\$ -	\$ -	\$ 383,474
Total right to use assets	<u>383,474</u>	<u>-</u>	<u>-</u>	<u>383,474</u>
Less accumulated amortization for:				
Leased building	27,229	27,229	-	54,458
Total accumulated amortization	<u>27,229</u>	<u>27,229</u>	<u>-</u>	<u>54,458</u>
Capital assets being amortized, net	<u>356,245</u>	<u>(27,229)</u>	<u>-</u>	<u>329,016</u>
ABC Board capital assets, net	<u>\$ 356,245</u>	<u>\$ (27,229)</u>	<u>\$ -</u>	<u>\$ 329,016</u>

B. Liabilities

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Town is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. 12 Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20

years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Laurel Park employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Laurel Park's contractually required contribution rate for the year ended June 30, 2023, was 13.04% of compensation for law enforcement officers and 12.17% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Laurel Park were \$138,873 for the year ended June 30, 2023.

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

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

At June 30, 2023, the Town reported a liability of \$713,076 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the Town's proportion was 0.01264%, which was a decrease of 0.00124% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of \$177,110. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,726	\$ 3,012
Changes of assumptions	71,149	-
Net difference between projected and actual earnings on pension plan investments	235,679	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	48,283
Town contributions subsequent to the measurement date	138,873	-
Total	<u>\$ 476,427</u>	<u>\$ 51,295</u>

\$138,873 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 81,040
2025	74,145
2026	18,792
2027	112,282
2028	-
Thereafter	-
	<u>\$ 286,259</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the as part of a study conducted in early 2022 and is part of the asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 1,287,011</u>	<u>\$ 713,076</u>	<u>\$ 240,121</u>

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

Law Enforcement Officers Special Separation Allowance

Plan Description. The Town of Laurel Park administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time Town law enforcement officers are covered by the Separation Allowance.

At December 31, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>7</u>
Total	<u>7</u>

Summary of Significant Accounting Policies

Basis of Accounting. The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.31 percent

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021.

Mortality rates are based on the RP-2019 Mortality tables with adjustments for mortality improvements based on Scale AA.

Contributions.

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through the general fund. The Town did not pay any benefits for the reporting period.

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

At June 30, 2023, the Town reported a total pension liability of \$194,889. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the Town recognized pension expense of \$28,806.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,093	\$ 10,929
Changes of assumptions and other inputs	42,058	37,040
Town benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 94,151</u>	<u>\$ 47,969</u>

No amount was reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date to be

recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$	12,167
2025		11,435
2026		10,783
2027		8,159
2028		2,888
Thereafter		750
	\$	<u>46,182</u>

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 4.31 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	<u>\$ 213,281</u>	<u>\$ 194,889</u>	<u>\$ 178,060</u>

**Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance**

	2023
Beginning balance	\$ 160,080
Service Cost	13,129
Interest on the total pension liability	3,602
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	57,768
Changes of assumptions or other inputs	(39,690)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 194,889</u>

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2014 through December 31, 2019.

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 177,110	\$ 28,806	\$ 205,916
Pension Liability	713,076	194,889	907,965
Proportionate share of the net pension liability	0.01246%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	30,726	52,093	82,819
Changes of assumptions and other inputs	71,149	42,058	113,207
Net difference between projected and actual earnings on plan investments	235,679	-	235,679
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-
Benefit payments and administrative costs paid subsequent to the measurement date	138,873	-	138,873
Deferred of Inflows of Resources			
Differences between expected and actual experience	3,012	10,929	13,941
Changes of assumptions	-	37,040	37,040
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	48,283	-	48,283

Supplemental Retirement Income Plan

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to general employees as well as law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. General employees may also make voluntary contributions to the plan. The Town is not required to contribute for general employees. However, the Town does contribute five percent of participating general employee salary.

The Town made contributions of \$22,602 for law enforcement officers and \$32,784 for general employees for the reporting year. No amounts were forfeited.

Other Employment Benefits

The Town has elected to provide death benefits to law enforcement officers through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest consecutive month's salary during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of the monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based on rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources are comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 138,873
Difference between expected and actual earnings	82,819
Changes of assumptions and other inputs	113,207
Net difference between projected and actual earnings on pension plan investments	235,679
Changes in proportion and differences between employer contributions and proportionate share of contributions	-
	\$ 570,578

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

Source	Statement of Net Position	General Fund Balance Sheet
Property taxes receivable (General Fund)	\$ -	\$ 8,902
Differences between expected and actual experience	13,941	-
Changes in assumptions	37,040	-
Net difference between projected and actual earnings on plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions.	48,283	-
	\$ 99,264	\$ 8,902

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in self-funded risk financing pools administered by the North Carolina League of Municipalities and provides health insurance through the State Health Plan. Through these pools, the Town obtains general and auto liability of \$5 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to the statutory limits, and employee health coverage up to a \$2 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability/ property in excess of \$500,000, and \$300,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Town carries commercial coverage for risks of loss. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded insurance coverage in any of the last three fiscal years.

The Town became a full participating member in the National Flood Insurance Program on October 2, 2008. Residential property owners, renters, and commercial property owners may purchase flood insurance protection against losses from flooding. Due to the mountainous topography of the Town, less than 1% of the overall incorporated area of the Town or about 10 acres is in a mapped flood plain. The Town Council has elected to not purchase flood insurance because no structures owned by the Town lie within a mapped flood plain area.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more of the Town's funds at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. The tax collector is bonded for \$10,000. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

Long-Term Obligations

Leases

The Town has entered into three agreements to lease certain vehicles and equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed under a master equity lease agreement on May 5, 2020, to lease police and maintenance vehicles. In January and February 2021, the Town leased two public works vehicles and two police vehicles that collectively require 60 monthly payments totaling \$3,267. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, which was the prime lending rate at the time of the lease execution. During fiscal year 2023, the Town leased two additional vehicles, one each for the police and public works departments. The new leases collectively require 60 monthly payments totaling \$1,698. There are no variable payment components of the lease. The lease liability for these vehicles is measured separately at discount rates of 8% and 8.25%, which were the prime lending rates at the time of each lease execution. As of June 30, 2023, the liability balance under the master equity lease agreement for all leased vehicles is \$179,334.

The second agreement was executed under a master services agreement dated June 5, 2017. In May 2020, the Town entered into a virtual office advantage agreement which leases computer equipment for a term of 60 months, with per unit charges invoiced on a monthly basis. The average monthly payment was \$863 in fiscal 2023 and the per unit rates increase 3% annually. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, which was the prime lending rate at the time of the lease execution. As of June 30, 2023, the liability balance under the master services agreement for all leased computer equipment is \$21,663.

The third agreement was executed in July 2020 to lease a copy machine and requires 60 monthly payments of \$192. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, which was the prime lending rate at the time of the lease execution. As of June 30, 2023, the liability balance under the lease agreement for the leased copier is \$4,635.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 63,031	\$ 9,443	\$ 72,474
2025	66,167	6,625	72,792
2026	41,002	3,896	44,898
2027	18,159	2,219	20,378
2028	17,273	688	17,961
	<u>\$ 205,632</u>	<u>\$ 22,871</u>	<u>\$ 228,503</u>

Subscriptions

For the year ended June 30, 2023, the Town implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Subscriptions in effect at the end of the prior fiscal year had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the subscription after July 1, 2022. One such agreement was in place on June 30, 2022. In May 2020, the Town entered into a virtual office advantage agreement for a term of 60 months, with charges invoiced on a monthly basis. The agreement provides for server, application and email hosting. The remaining term, as of June 30, 2023, is 25 months. The subscription does not have a stated interest rate. Accordingly, the prime rate as of July 1, 2022, 3.25%, was used to discount the subscription payments. As a result, the amount of \$95,468 was added as a right-to-use subscription asset and a subscription liability as of July 1, 2022. This restatement had no effect on equity. At June 30, 2023, the liability balance was \$65,493.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 32,922	\$ 2,400	\$ 35,322
2025	32,571	779	33,350
	<u>\$ 65,493</u>	<u>\$ 3,179</u>	<u>\$ 68,672</u>

Changes in long term liabilities for the primary government are as follows:

	Beginning of year	Additions	Retirements	End of year	Current Portion
Governmental Activities:					
Lease liabilities	\$ 170,717	\$ 84,750	\$ 49,835	\$ 205,632	\$ 63,031
IT subscriptions	95,468	-	29,975	65,493	32,922
Accrued vacation	64,100	46,897	42,165	68,832	-
Net pension liability (LGERS)	212,863	500,213	-	713,076	-
Total pension liability (LEO)	160,080	34,809	-	194,889	-
	<u>\$ 703,228</u>	<u>\$ 666,669</u>	<u>\$ 121,975</u>	<u>\$ 1,247,922</u>	<u>\$ 95,953</u>

Accrued vacation generally has been liquidated in the general fund.

At June 30, 2023, the legal debt margin for the Town is \$36,922,900.

Interfund Balances and Activity

Transfers to/from other funds at June 30, 2023, consisted of the following:

From General Fund to Highway 64 Sidewalk and Greenspace Capital Reserve Fund for future capital needs	<u>\$ 30,000</u>
From General Fund to Laurel Green Stream Restoration Project Capital Reserve Fund for future capital needs	<u>\$ 56,166</u>
From General Fund to Roads and Powell Bill Capital Project Fund for capital projects	<u>\$ 100,000</u>
From General Fund to Town Hall Capital Project Fund for capital projects	<u>\$ 325,000</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

Fund Balance

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

Total fund balance-general fund	\$ 2,863,180
Less:	
Streets	71,083
Stabilization by State Statute	298,183
Capital reserves	129,912
Subsequent year's expenditures	200,000
Remaining fund balance	<u>\$ 2,164,002</u>

Jointly Governed Organization

The Town, in conjunction with other area counties and municipalities, is a member of the Land of Sky Regional Council (the Council). The governments participate within the Council to coordinate various funding received from federal and State agencies. Each participating government, including the Town, pays annual dues and appoints two members to the Council's governing board.

Federal and State Assisted Programs

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

Litigation

The Town had no pending claims that are expected to result in litigation. While the ultimate cost of defending any existing legal matters could be significant in amount, it is the opinion of the Town's management and the Town's attorney that any potential outcome will not have a material adverse effect on the Town's financial position.

Subsequent Events

Subsequent events have been reviewed through February ##, 2024, which is the date the financial statements were available to be issued.

INDIVIDUAL FUND FINANCIAL STATEMENTS

Final Draft

Town of Laurel Park, North Carolina
Town of Laurel Park's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years *

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Laurel Park's proportion of the net pension liability (asset) (%)	0.01264%	0.01388%	0.01484%	0.01499%	0.01588%	0.01517%	0.01241%	0.01632%	0.01444%	0.01390%
Laurel Park's proportion of the net pension liability (asset) (\$)	\$ 713,076	\$ 212,863	\$ 530,296	\$ 409,365	\$ 376,728	\$ 231,756	\$ 263,382	\$ 13,581	\$ (85,160)	\$ 167,548
Laurel Park's covered-employee payroll	\$ 933,994	\$ 888,567	\$ 880,540	\$ 817,549	\$ 838,486	\$ 820,711	\$ 798,113	\$ 795,466	\$ 764,288	\$ 672,176
Laurel Park's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	76.35%	23.96%	60.22%	50.07%	44.93%	28.24%	33.00%	1.71%	(11.14%)	24.93%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Final Draft

**Town of Laurel Park, North Carolina
Town of Laurel Park's Contributions
Required Supplementary Information
Last Ten Fiscal Years**

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 138,874	\$ 108,903	\$ 92,885	\$ 81,688	\$ 66,363	\$ 66,109	\$ 62,726	\$ 55,540	\$ 58,296	\$ 55,640
Contributions in relation to the contractually required contribution	138,874	108,903	92,885	81,688	66,363	66,109	62,726	55,540	58,296	55,640
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Laurel Park's covered-employee payroll	\$ 1,109,131	\$ 933,994	\$ 888,567	\$ 880,540	\$ 817,549	\$ 838,486	\$ 820,711	\$ 798,113	\$ 795,466	\$ 764,288
Contributions as a percentage of covered-employee payroll	12.52%	11.66%	10.45%	9.28%	8.12%	7.88%	7.64%	6.96%	7.33%	7.28%

Final Draft

Town of Laurel Park, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 160,080	\$ 166,589	\$ 81,697	\$ 69,122	\$ 57,259	\$ 45,584	\$ 40,457
Service Cost	13,129	11,027	6,940	6,268	6,654	5,573	4,857
Interest on the total pension liability	3,602	3,215	2,663	2,516	1,809	1,760	1,444
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	57,768	(16,456)	2,741	928	6,750	(305)	-
Changes of assumptions or other inputs	(39,690)	(4,295)	72,548	2,863	(3,350)	4,647	(1,174)
Benefit payments	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 194,889</u>	<u>\$ 160,080</u>	<u>\$ 166,589</u>	<u>\$ 81,697</u>	<u>\$ 69,122</u>	<u>\$ 57,259</u>	<u>\$ 45,584</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

Final Draft

Town of Laurel Park, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 194,889	\$ 160,080	\$ 166,589	\$ 81,697	\$ 69,122	\$ 57,259	\$ 45,584
Covered payroll	361,554	300,521	343,763	330,825	326,753	307,591	257,741
Total pension liability as a percentage of covered payroll	53.9%	53.3%	48.5%	24.7%	21.2%	18.6%	17.7%

Notes to the schedules:

The Town of Laurel Park has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Final Draft

REQUIRED SUPPLEMENTARY INFORMATION

Final Draft

Town of Laurel Park, North Carolina
General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Ad valorem taxes			
Current year	\$	2,001,443	\$
Prior year		1,140	
Penalties and interest		2,790	
Total ad valorem taxes	<u>1,920,000</u>	<u>2,005,373</u>	<u>85,373</u>
Unrestricted intergovernmental revenues			
Local option sales tax		960,494	
Utility sales tax distribution		158,455	
Cable TV franchise tax		21,655	
Solid waste disposal tax		1,757	
Beer and wine tax		10,202	
ABC profit distribution		83,863	
Total unrestricted intergovernmental revenues	<u>1,025,600</u>	<u>1,236,426</u>	<u>210,826</u>
Restricted intergovernmental revenues			
Powell Bill "State Street-Aid" allocation		104,017	
Grants		5,000	
ABC funds for law enforcement		11,281	
Total restricted intergovernmental revenues	<u>110,000</u>	<u>120,298</u>	<u>10,298</u>
Permits and fees			
Building permits		12,910	
Court fees		236	
Total licenses and permits	<u>5,100</u>	<u>13,146</u>	<u>8,046</u>
Investment earnings	<u>1,000</u>	<u>128,386</u>	<u>127,386</u>
Miscellaneous	<u>19,000</u>	<u>62,154</u>	<u>43,154</u>
Total revenues	<u>3,080,700</u>	<u>3,565,783</u>	<u>485,083</u>

Town of Laurel Park, North Carolina
General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
General government:			
Governing body:			
Stipend	\$	\$ 13,860	\$
Board member expense		10,162	
Payroll taxes		1,060	
Professional services		18,821	
Capital outlay		8,579	
Total	<u>53,210</u>	<u>52,482</u>	<u>728</u>
Administration:			
Salaries and wages		311,638	
Payroll taxes		24,947	
Employee benefits		80,566	
Unemployment insurance		1,233	
Professional services		16,074	
Supplies		2,506	
Miscellaneous		2,973	
Travel & training		9,951	
Utilities		12,339	
Postage		2,067	
Repairs and maintenance		17,705	
Advertising		5,473	
Centennial		565	
Contracted services		34,410	
Insurance		34,738	
Dues and subscriptions		14,675	
Bank service charge		754	
Credit card fees		697	
Tax collector's fee		14,388	
Capital outlay		43,494	
Total	<u>659,924</u>	<u>631,193</u>	<u>28,731</u>
Total general government	<u>713,134</u>	<u>683,675</u>	<u>29,459</u>
Public safety:			
Police:			
Salaries and wages		470,188	
Payroll taxes		35,020	
Employee benefits		149,067	
Insurance		7,603	
Professional services		688	
Supplies		50,278	
Uniforms		3,533	

Town of Laurel Park, North Carolina
General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Police (continued):			
Travel & training		1,109	
Utilities		12,350	
Contracted services		6,083	
Repairs and maintenance		5,736	
Dues and subscriptions		84	
Capital outlay		79,537	
	<u>776,180</u>	<u>821,276</u>	<u>(45,096)</u>
Fire:			
Contracted services	<u>444,847</u>	<u>444,847</u>	<u>-</u>
Total public safety	<u>1,221,027</u>	<u>1,266,123</u>	<u>(45,096)</u>
Transportation:			
Streets and highways:			
Salaries and wages		341,383	
Payroll taxes		25,237	
Employee benefits		117,849	
Insurance		10,991	
Professional fees		408	
Utilities		16,948	
Fees and permits		2,584	
Repairs and maintenance		19,428	
Uniforms		3,112	
Supplies		63,187	
Travel & training		2,288	
Contracted services		24,918	
Miscellaneous		2,498	
Capital outlay		98,874	
Total transportation	<u>750,050</u>	<u>729,705</u>	<u>20,345</u>
Environmental protection:			
Solid waste:			
Contracted services	<u>195,000</u>	<u>181,343</u>	<u>13,657</u>
Parks:			
Salaries and wages		68,257	
Payroll taxes		5,015	
Employee benefits		23,657	
Professional services		21,815	
Miscellaneous		1,108	

Town of Laurel Park, North Carolina
General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Parks (continued):			
Equipment & supplies		7,410	
Travel & training		-	
Utilities		2,993	
Park maintenance		15,049	
Contract services		(403)	
Jump Off Rock		3,010	
Laurel Green		566	
Rhododendron Lake Park		8,794	
Capital outlay		73,022	
Total parks	<u>241,585</u>	<u>230,293</u>	<u>11,292</u>
Debt service:			
Principal retirement		79,810	
Interest and other charges		9,555	
Total debt service	<u>96,020</u>	<u>89,365</u>	<u>6,655</u>
Total expenditures	<u>3,216,816</u>	<u>3,180,504</u>	<u>36,312</u>
Revenues over (under) expenditures	<u>(136,116)</u>	<u>385,279</u>	<u>521,395</u>
Other financing sources (uses):			
Lease liabilities issued	-	84,750	84,750
IT subscription agreement	-	95,468	95,468
Sale of capital assets	20,000	22,042	2,042
Transfer to other funds			
Highway 64 Sidewalk and Greenspace Capital Reserve Fund	(30,000)	(30,000)	-
Laurel Green Stream Restoration Project Capital Reserve Fund	(56,166)	(56,166)	-
Roads and Powell Bill Capital Project Fund	(100,000)	(100,000)	-
Town Hall Capital Project Fund	(325,000)	(325,000)	-
Total other financing sources (uses):	<u>(491,166)</u>	<u>(308,906)</u>	<u>182,260</u>
Fund balance appropriated	<u>627,282</u>	<u>-</u>	<u>(627,282)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>76,373</u>	<u>\$ 76,373</u>
Fund balances:			
Beginning of year, July 1		<u>2,656,895</u>	
End of year, June 30		<u>\$ 2,733,268</u>	

Town of Laurel Park, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Highway 64 Sidewalk and Greenspace Capital Reserve Fund
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Transportation	<u>120,000</u>	<u>10,266</u>	<u>(109,734)</u>
Revenues over (under) expenditures	<u>(120,000)</u>	<u>(10,266)</u>	<u>109,734</u>
Other financing sources (uses):			
Fund balance appropriated	90,000	-	90,000
Transfers from general fund	<u>30,000</u>	<u>30,000</u>	<u>-</u>
	<u>120,000</u>	<u>30,000</u>	<u>90,000</u>
Net change in fund balance	<u>\$ -</u>	19,734	<u>\$ 19,734</u>
Fund balance:			
Beginning year, July 1		<u>90,000</u>	
End of year, June 30		<u>\$ 109,734</u>	

Final Draft

Town of Laurel Park, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Laurel Green Stream Restoration Project Capital Reserve Fund
For the Year Ended June 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Grants	\$ 187,963	\$ -	\$ (187,963)
Expenditures			
Parks:			
Professional services	48,650	31,052	17,598
Contracted services	94,189	4,854	89,335
Miscellaneous	20,070	1,046	19,024
Capital outlay	4,220	-	4,220
Total expenditures	167,129	36,952	130,177
Revenues over (under) expenditures	20,834	(36,952)	(57,786)
Other financing sources (uses):			
Fund balance appropriated	(77,000)	-	77,000
Transfers from general fund	56,166	56,166	-
	(20,834)	56,166	77,000
Net change in fund balance	\$ -	19,214	\$ 19,214
Fund balance:			
Beginning year, July 1		964	
End of year, June 30		\$ 20,178	

Town of Laurel Park, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Coronavirus State and Local Fiscal Recovery Grant Project Fund
From Inception and For the Year Ended June 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Year</u>	<u>Current Year</u>		
Revenues					
Grants	742,565	\$ -	\$ 95,000	\$ 95,000	\$ (647,565)
Expenditures					
Transportation:					
Professional services	75,000	-	-	-	75,000
Contracted services	667,565	-	95,000	95,000	572,565
Total expenditures	742,565	-	95,000	95,000	647,565
Revenues over (under) expenditures	-	-	-	-	-
Other financing sources (uses):	-		-		-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance:					
Beginning year, July 1			-		
End of year, June 30			\$ -		

Town of Laurel Park, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Roads and Powell Bill Capital Project Fund
From Inception and For the Year Ended June 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Year</u>	<u>Current Year</u>		
Revenues					
Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Public Works					
Professional services	25,000	-	27,500	27,500	(2,500)
Contracted services	996,070	-	140	140	995,930
Contingency	78,930	-	-	-	78,930
Total expenditures	<u>1,100,000</u>	<u>-</u>	<u>27,640</u>	<u>27,640</u>	<u>1,072,360</u>
Revenues over (under) expenditures	<u>(1,100,000)</u>	<u>-</u>	<u>(27,640)</u>	<u>(27,640)</u>	<u>1,072,360</u>
Other financing sources (uses):					
Transfers from general fund	<u>1,100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>1,000,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>72,360</u>	<u>\$ 72,360</u>	<u>\$ 72,360</u>
Fund balance:					
Beginning year, July 1			<u>1,000,000</u>		
End of year, June 30			<u>\$ 1,072,360</u>		

Town of Laurel Park, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Laurel Green Stream Restoration Capital Project Fund
From Inception and For the Year Ended June 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Year</u>	<u>Current Year</u>		
Revenues					
Grants	\$ 317,000	\$ -	\$ -	\$ -	\$ (317,000)
Expenditures					
Parks					
Professional services	25,000	-	-	-	25,000
Contracted services	292,000	-	177,521	177,521	114,479
Total expenditures	<u>317,000</u>	<u>-</u>	<u>177,521</u>	<u>177,521</u>	<u>139,479</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(177,521)	<u>\$ (177,521)</u>	<u>\$ (177,521)</u>
Fund balance:					
Beginning year, July 1			<u>309,300</u>		
End of year, June 30			<u>\$ 131,779</u>		

Town of Laurel Park, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Town Hall Capital Project Fund
From Inception and For the Year Ended June 30, 2023

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Year</u>	<u>Current Year</u>		
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
General Government					
Professional services	305,000	-	8,400	8,400	296,600
Contracted services	15,000	-	6,700	6,700	8,300
Contingency	5,000	-	-	-	5,000
Total expenditures	<u>325,000</u>	<u>-</u>	<u>15,100</u>	<u>15,100</u>	<u>309,900</u>
Revenues over (under) expenditures	<u>(325,000)</u>	<u>-</u>	<u>(15,100)</u>	<u>(15,100)</u>	<u>(309,900)</u>
Other financing sources (uses):					
Transfers from general fund	<u>325,000</u>	<u>-</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>309,900</u>	<u>\$ 309,900</u>	<u>\$ 309,900</u>
Fund balance:					
Beginning year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 309,900</u>		

Town of Laurel Park, North Carolina
Stormwater Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Operating Revenues			
Sewer charges	\$ 73,000	\$ 77,988	\$ 4,988
Nonoperating revenues			
Total nonoperating revenues	-	-	-
Total revenues	<u>73,000</u>	<u>77,988</u>	<u>4,988</u>
Expenditures			
Administration:			
Collection fees	7,500	7,866	(366)
Equipment and supplies	-	5,000	(5,000)
Advertising and printing	-	-	-
	<u>7,500</u>	<u>12,866</u>	<u>(5,366)</u>
Operations:			
Professional services	-	500	(500)
Contracted services	79,000	9,965	69,035
Miscellaneous	-	349	(349)
Capital outlay	52,500	43,676	8,824
Total expenditures	<u>131,500</u>	<u>54,490</u>	<u>77,010</u>
Total expenditures	<u>139,000</u>	<u>67,356</u>	<u>71,644</u>
Revenue over (under) expenditures	(66,000)	10,632	76,632
Other Financing Sources (Uses):			
Fund balance appropriated	66,000	-	(66,000)
	<u>66,000</u>	<u>-</u>	<u>(66,000)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	10,632	<u>\$ 10,632</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay		42,756	
Depreciation		(4,461)	
Change in net position		<u>\$ 48,927</u>	

OTHER SCHEDULES

Final Draft

Town of Laurel Park, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2023

Fiscal year	Uncollected Balance June 30, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 2,007,680	\$ 2,001,442	\$ 6,238
2021-2022	2,924	-	916	2,008
2020-2021	829	-	173	656
2019-2020	645	-	52	593
2018-2019	1,750	-	-	1,750
2017-2018	1,677	-	-	1,677
2016-2017	2,407	-	-	2,407
2015-2016	2,311	-	-	2,311
2014-2015	880	-	-	880
2013-2014	1,135	-	-	1,135
2012-2013	1,137	-	1,137	-
	<u>\$ 15,695</u>	<u>\$ 2,007,680</u>	<u>\$ 2,003,720</u>	<u>\$ 19,655</u>
Less: allowance for uncollectible accounts - general fund				<u>10,753</u>
Ad valorem taxes receivable - net				<u>\$ 8,902</u>
Reconciliation with revenues				
Ad valorem taxes - general fund				\$ 2,005,373
Write-offs				1,137
Penalties and interest				<u>(2,790)</u>
Total collections and credits				<u>\$ 2,003,720</u>

Town of Laurel Park, North Carolina
Analysis of Current Tax Levy
June 30, 2023

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy	\$ 461,377,211	\$ 0.435	\$ 2,006,991	\$ 1,866,690	\$ 140,301
Discoveries	189,910	0.435	826	826	-
Releases	(31,566)	0.435	(137)	(40)	(97)
Adjusted levy	\$ 461,535,555				
Net levy			2,007,680	1,867,476	140,204
Uncollected taxes at June 30, 2023			(6,238)	(6,238)	-
Current year's taxes collected			\$ 2,001,442	\$ 1,861,238	\$ 140,204
Current levy collection percentage			99.69%	99.67%	100.00%

Final Draft

OTHER REPORT

Final Draft

BURLESON & EARLEY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Honorable Mayor and Members of the Governing Council
Town of Laurel Park
Laurel Park, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Laurel Park, North Carolina as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Laurel Park's basic financial statements, and have issued our report thereon dated February ##, 2024. The financial statements of the Town of Laurel Park's ABC Board were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Town of Laurel Park's ABC Board.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Laurel Park's internal control over financial reporting (internal control) as a basis of designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Laurel Park's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Laurel Park's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

POST OFFICE BOX 2125 ♦ CANDLER, NC 28715
902 SAND HILL ROAD ♦ ASHEVILLE, NC 28806
TELEPHONE: (828) 251-2846 ♦ FAX: (828) 665-8079

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Laurel Park's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Laurel Park's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Laurel Park's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Burleson & Earley, P.A.

Certified Public Accountants

Asheville, North Carolina

February ##, 2024

Final Draft



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Yoga at Jump Off Rock

Presenter: Commissioner Deb Bridges

Attachment(s): Yes/**No**

Summary of Item:

The Friends of Laurel Park are requesting approval of this year's yoga schedule, Mondays at 6:00 pm starting in April and ending in October.

Council Action Requested:

Review and discuss request.

Suggested Motion:

Move to approve Yoga Schedule at Jump Off Rock as presented.