

WINTERVILLE

North Carolina

Annual Comprehensive Financial Report

For the Fiscal Year Ending June 30th, 2024



A slice of the good life!



Town of Winterville, North Carolina

Annual Comprehensive

Financial Report

For the Fiscal Year Ended June 30, 2024



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INTRODUCTORY SECTION





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Winterville
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Town of Winterville, North Carolina

List of Principal Officials

Town Council

Mayor

Richard E. Hines

Council Members

Brandy Harrell – Mayor Pro-Tem

Johnny L. Moye

Veronica W. Roberson

Lisa A. Smith

Shantel E. Hawkins

Town Manager

Terri L. Parker

Assistant Town Manager

Anthony Bowers

Finance Director

Jessica Manning

Town Clerk

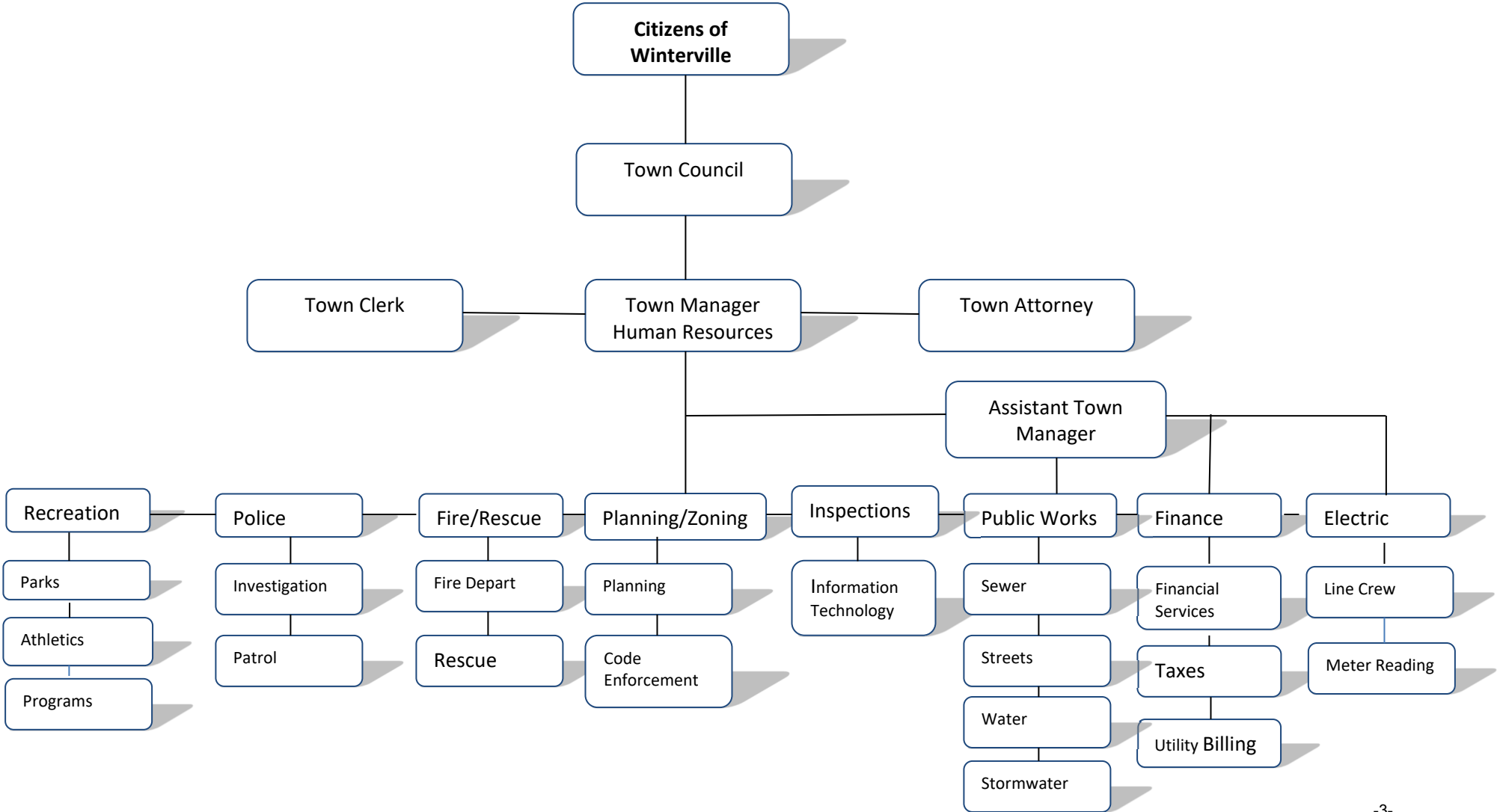
Donald Harvey

Town Attorney

E. Keen Lassiter



Town of Winterville, North Carolina Organizational Chart







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October 11, 2024

To the Honorable Mayor, the Town Council,
and the Citizens of the Town of Winterville:

It is my pleasure to submit to you the Town of Winterville's thirteenth Annual Comprehensive Financial Report. This report is for the fiscal year ending June 30th, 2024. The Annual Comprehensive Financial Report is a document that includes the annual financial statements; as well as, a considerable amount of additional information. This includes historical data, the Management Discussion and Analysis, and commentary about the Town. Specifically, this document includes an introduction, a financial section, a statistical section and the compliance section.

This A.C.F.R. will benefit the citizens of Winterville by providing information that is easy to read and will provide additional information in comparison to the standard audit report. This A.C.F.R. provides historical trends and presents it in an easier to read format. Finally, the A.C.F.R. will give citizens insight into future goals and objectives, fiscal responsibilities, and capital planning.

The Town of Winterville has engaged the audit firm of Thompson, Price, Scott, Adams & Co., P.A. Certified Public Accountants to audit the Town's financial statements. Thomson, Price, Scott, Adams & Co., P.A. has issued an unqualified opinion of the Town of Winterville's financial statements for the year ended June 30th, 2024.

Management of the Town is responsible for establishing and maintaining a system of internal controls. The controls are designed to provide reasonable assurance that: (1) assets are safeguarded against loss, theft or unauthorized use; and, (2) the financial records are reliable, and allow for the preparation of the financial statements in conformity with generally accepted accounting principles, and demonstrate compliance with applicable legal requirements. Reasonable assurance recognizes that the cost of a control should not exceed its benefit and evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Town must ensure that an adequate internal control system is in place to comply with the various laws and regulations of those financial assistance programs. As part of the Town's *Government Auditing Standards* audit, the internal control system is tested and evaluated to determine compliance with the applicable legal requirements. The Town did receive enough grant funding to qualify for a single audit this fiscal year.

The Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report, and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it. The information contained in this A.C.F.R. is the responsibility of the Town's management.

Profile of the Town of Winterville

The Town of Winterville was established in 1897. Located in Pitt County, Winterville is the second largest municipality in the county. The Town is geographically located in the center of the Coastal Plains of Eastern North Carolina. The Town's northern boundary is shared with the southern boundary of the City of Greenville. Winterville is conveniently located one hour east of Raleigh, and one hour west of the coast. The Town consists of 4.5 square miles and has a population of 10,821 as of June 30th, 2024.

The Town operates in the Council-Manager form of Government. The council consists of six members, all of which are elected at-large. The Town Council holds policy making and legislative authority. They are responsible for passing ordinances, adopting the annual budget, appointing board members and hiring the Town Manager. The Town Manager is appointed by the Council and serves as the Chief Executive Officer. The Manager is responsible for administering the policies and ordinances of the Council.

The Town is a full-service community offering our citizens police and fire protection, sanitation, recreation, planning and zoning, cemeteries, public works, electric, water, sewer, and storm water services. The financial report includes all of these various functions and activities that are related to the operations of the Town.

The Town continues to maintain a system of budgetary controls that create a legal limit on spending authorizations, as required by state statutes, that promotes sound financial management and fiscal accountability. The Town Manager annually submits to the Town Council a proposed budget for the upcoming fiscal year. The Town's Department Heads submit recommendations to the Town Manager for consideration. The manager then considers the budgetary constraints and develops the budget that is presented to the Town Council. A public hearing is then held in order to give citizens an opportunity to review the document and communicate questions, concerns, or support of the recommendation. The budget is then adopted and takes effect beginning July 1st of each year.

The Town's budget ordinance is approved at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. The original budget ordinance gives the Town Manager (Budget Officer) authority to amend line-item appropriations within any fund as long as the total appropriation of that fund is not changed. Any amounts that alter total expenditures between the funds must be approved by the governing board through an amendment to the budget ordinance.

Local Economy

The local economy is based mostly on retail facilities that are located in close proximity to NC Highway 11. According to official NCDOT traffic counts NC 11 carries 40,000 vehicles through our town every day. Major retailers such as Sam's Club, Advance Auto, Walgreens, Chick-Fil-A, Lowes Foods, and others, have become a part of the community. The Town is currently marketing over 100 acres of commercially zoned land along Highway 11 and is expected to see continued commercial interest.

The close proximity to the City of Greenville and having Pitt Community College in the Town limits brings thousands of people to Winterville to participate in commerce. Pitt Community College has over 11,000 students enrolled, and 701 full-time staff and faculty members.

Industries such as Robert's Welding and Winterville Machine Works have been an asset to the Winterville community for decades. Large service companies such as Online Collections and Regional Finance processing facilities are also located in Winterville and provide many jobs.

One of the many popular events that take place annually is the Winterville Watermelon Festival. This festival brings in over 25,000 people to participate in concerts, parades, and rides. The Watermelon Festival has been an important part of the Town for 39 years and is the largest festival in the region. The Town works in conjunction with the nonprofit Winterville Watermelon Festival Committee to produce a spectacular event.

Pitt County has seen stable growth in the past 5 years due to several economic drivers. Examples include, East Carolina University, ECU Health, Thermo Fisher, Mayne Pharma, NACCO Material Handling and many others. The unemployment rate for Pitt County is 4.7 percent. The population for Pitt County is 173,542.

Long Term Financial Planning

The Town has begun to review all major aspects of the Town's operations. We are currently engaged in several studies that will allow the governing board and staff to make long-range plans for the Town's future. Some of those studies include evaluations of the following areas. Recreation, Fire, Urban Planning Land Use Plan, Electric Utilities, Water Utilities, Sewer Utilities and Storm Water Utilities. The Town has also committed to the safety of our citizens and business by investing heavily in fire and safety. The Town has transitioned to a full-time paid fire department and purchased a new fire squad and a new aerial platform truck. Recreation is also a major focus as the town positions itself to construct a multi-purpose facility and has acquired land that can be used for the purpose of additional green space and parks.

With respect to the Enterprise Funds, the Town recently completed work on a 3.6-million-dollar sewer system upgrade and rehabilitation system that revamped a major portion of the town's old sewer lines. Funding for the project was provided by the North Carolina Department of Environmental Resources through low interest loans. We are also working to improve capacity with the upgrade of two pump stations and construction of a new outfall line. This project is estimated to be \$8.25 million and will begin in 2024.

The Town currently has a relationship with the Contentnea Metropolitan Sewage District, (CMSD). This district consists of three municipalities, the Town of Winterville, the Town of Ayden, and the Town of Grifton. CMSD has begun a new phase of expansion with the addition of increased BMP that will allow for the region to continue to grow.

The Town has also recently adopted a new 10-year CIP for the Water fund that will focus on increasing water quality and water flow. The first focus of this CIP will be to improve \$3,111,000 in the water looping project.

Major Initiatives

The Town has been working on several major initiatives that hope to bring continued growth and quality of life for our citizens. They include Economic Development, infrastructure needs for our enterprise funds, and seeking new recreational opportunities.

The Town has positioned itself to focus on economic development in several different ways. We have an active Economic Development Planner and have been declared as a Certified Retirement Community by the North Carolina Department of Commerce. The Town has also been working with developers, supporting the local Chamber of Commerce, and developing land use plans that foster growth. The Town has also focused on working with the NC Department of Transportation to ensure proper infrastructure is in place.

The Town of Winterville is positioned for continued growth for the 2024-2025 fiscal year. We had 85 new residential zoning compliances that were approved in the 2023-2024 fiscal year. Although there are few undeveloped residential lots due to continued growth, there are numerous residential developments that have been submitted for Town review or on the verge of development. The census estimates that 94.6% of the residential units in Winterville are occupied. Commercial growth will continue as there are some smaller projects currently underway that will bring even more interest into the Town of Winterville. Cost associated with the development and improvements at CMSD are partly the responsibility of the Town of Winterville. As the CMSD facilities improve, the Town will be responsible for their portion of the increased debt service. The improvements will allow the Town to continue to grow without limitations that could arise if proper infrastructure is not in place.

The Town has recently adopted Project Vision Zero to promote the reduction of pedestrian and bicycle accidents and deaths.

The program will allow the Town to preserve its small-town character while promoting economic development and providing residents with a better quality of life; as well as a safer community.

Relevant Financial Policies

The Town utilizes the pooled cash and investment concept in investing temporarily idle cash. The criteria for selecting investments are safety, liquidity and yield. The investment guidelines that the Town uses are based on state statute; as a result, investments are in Certificates of Deposits, NOW accounts, and the North Carolina Capital Management Trust, an SEC registered mutual fund. All deposits are either insured by Federal Depository Insurance or collateralized by pledged securities. The Town has adopted Cash Management, Debt Service, and Fund Balance policies.

Risk Management

The Town of Winterville emphasizes risk control and workplace safety. The Town is implementing a loss control program that provides staff with training in safety procedures and protocol. Employees are covered by workers' compensation as required by state statute.

All full-time employees are provided with health care coverage for hospitalization and major medical expenses with specified limits. The policies are purchased from commercial carriers. The Town is not self-insured.

In accordance with G.S. 159-29, the Finance Officer and Tax Collector are bonded.

Pension Plans

The permanent full-time employees of the Town participate in the statewide North Carolina Local Government Employees' Retirement System (NCLGERS), a cost-sharing multi-employer public employee defined benefit plan administered by the State of North Carolina. The NCLGERS plan is funded by contributions from the Town that equal to 12.89% of earnings for employees not engaged in law enforcement and 14.04% for law enforcement officers for the fiscal year ending June 30th, 2024. All employees contribute 6.0% of their earnings to the state retirement system.

The Town is required by state statute to contribute an amount equal to 5% of participant earnings to a supplemental retirement plan (401k) for law enforcement officers. No contribution is required of the participants in this plan, but voluntary contributions are permitted up to the legally allowed maximum under

tax deferral law. The Town has no fiduciary responsibility for this plan. The Town provides this pension plan to all full-time employees.

The State of North Carolina contributes on behalf of the Town an amount to the Fireman's and Rescue Squad Workers Pension Fund. The Town has no liability for the funding of this pension fund.

Acknowledgement

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Winterville for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the efficient and dedicated efforts of the Finance Department staff, the various employees who assisted in obtaining information, and our independent Certified Public Accountants Thompson, Price, Scott & Adams, Co., P.A.. We would also like to thank the Mayor and Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and professional manner.

Respectfully submitted,

Jessica Manning

Jessica Manning
Finance Director



FINANCIAL SECTION





Thompson, Price, Scott, Adams & Co., P.A.
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Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winterville, North Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Winterville's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Winterville as of June 30, 2024, and the respective changes in financial position, and cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Winterville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material statement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures 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 Winterville'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 Winterville'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, and the Other Post Employment Benefit and Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions, and the Local Government Employees' Retirement System Schedules of the Town's Proportionate Share of Net Pension Asset (Liability) and Town Contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist 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 Winterville's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report October 11, 2024, on our consideration of the Town of Winterville'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 Town of Winterville'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 Winterville's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
October 11, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS



Management’s Discussion and Analysis

As management of the Town of Winterville (the "Town"), we offer readers of the Town of Winterville's financial statements this narrative overview and analysis of the financial activities of the Town of Winterville for the fiscal year ended June 30, 2024. 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

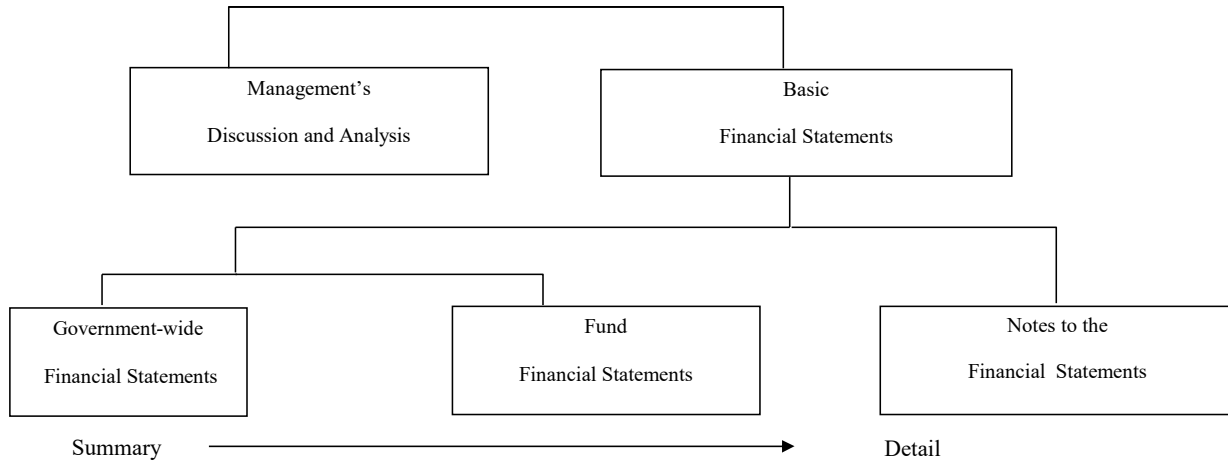
- The assets and deferred outflows of resources of the Town of Winterville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$772,975,607 (net position).
- The government's total net position increased from the prior year by \$2,478,131 before prior period adjustment.
- As of the close of the current fiscal year, the Town of Winterville governmental funds reported combined ending fund balances of \$16,692,432 with a net increase of \$1,260,574 in fund balance. Approximately 82% of fund balance, or \$13,761,390 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,761,390, or 118% of total general fund expenditures for the fiscal year. The combined unassigned and assigned fund balance for the General Fund was \$14,147,873 or 121% of total General Fund expenditures for the fiscal year.
- The Town’s total long-term debt decreased by \$245,267 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Winterville, North Carolina's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Winterville, North Carolina.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, required supplemental information provides information on the Town's proportionate share of the LGERS pension liability, the total LEOSA pension liability and the total OPEB liability. Supplemental Information is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the

Government-Wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the electric, water, sewer, and stormwater services offered by the Town of Winterville.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Winterville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town 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. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Winterville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Town Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Fund

Town of Winterville has one kind of proprietary fund, an 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 of Winterville uses an enterprise fund to account for its electric, water, sewer, and stormwater activity. 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 immediately follow Exhibit 8 of the audit report.

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

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

Government-Wide Financial Analysis
Town of Winterville, North Carolina's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 18,214,160	\$ 16,608,735	\$ 17,552,433	\$ 17,040,329	\$ 35,766,593	\$ 33,649,064
Capital assets	23,769,569	25,163,088	28,779,300	16,451,721	52,548,869	41,614,809
Deferred outflows of resources	2,534,698	2,405,874	634,570	633,826	3,169,268	3,039,700
Total assets	44,518,427	44,177,697	46,966,303	34,125,876	91,484,730	78,303,573
Liabilities:						
Long-term liabilities outstanding	7,473,410	7,167,290	6,741,960	7,113,730	14,215,370	14,281,020
Other liabilities	2,051,062	1,774,101	1,319,132	1,360,580	3,370,194	3,134,681
Deferred inflows of resources	713,531	714,120	210,028	190,397	923,559	904,517
Total liabilities	10,238,003	9,655,511	8,271,120	8,664,707	18,509,123	18,320,218
Net position:						
Net investment in capital assets	21,816,098	22,975,773	23,021,982	10,146,580	44,838,080	33,122,353
Restricted	2,297,393	2,492,439	-	17,690	2,297,393	2,510,129
Unrestricted	10,166,933	9,053,974	15,673,201	15,296,899	25,840,134	24,350,873
Total net position	\$ 34,280,424	\$ 34,522,186	\$ 38,695,183	\$ 25,461,169	\$ 72,975,607	\$ 59,983,355

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Winterville exceeded liabilities and deferred inflows by \$72,975,607 as of June 30, 2024. The Town's net position for governmental activities and business-type activities were \$34,280,424 and \$38,695,183, respectively. The Town's net position increased by \$2,4448,024 before prior period adjustment for the fiscal year ended June 30, 2024.

However, the largest portion, \$44,838,080, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position of \$2,297,393 represents resources that are subject to external restrictions on how they may be used. A balance of \$25,840,134 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total governmental net position, notably, the continued diligence in the collection of property taxes by accomplishing a tax collection percentage over 99% and the continued growth in the tax base.

Town of Winterville
Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,195,010	\$ 1,129,488	\$ 12,946,737	\$ 13,114,795	\$ 14,141,747	\$ 14,244,283
Operating grants and contributions	563,070	3,828,597	-	-	563,070	3,828,597
Capital grants and contributions	33,497	1,690,891	42,775	515,000	76,272	2,205,891
General revenues:						
Property taxes	4,986,419	4,825,100	-	-	4,986,419	4,825,100
Other taxes	4,035,145	27,030	-	-	4,035,145	27,030
Grants and contributions not restricted to specific programs	-	3,930,026	-	-	-	3,930,026
Investment earnings	715,026	341,481	483,605	260,073	1,198,631	601,554
Other	340,535	191,672	1,569,789	14,750	1,910,324	206,422
Total revenues	11,868,702	15,964,285	15,042,906	13,904,618	26,911,608	29,868,903
Expenses:						
General government	3,128,470	2,331,287	-	-	3,128,470	2,331,287
Public safety	4,939,180	4,681,326	-	-	4,939,180	4,681,326
Transportation	2,575,684	1,915,674	-	-	2,575,684	1,915,674
Environmental protection	676,573	663,415	-	-	676,573	663,415
Cultural and recreation	921,771	1,260,849	-	-	921,771	1,260,849
Public buildings	466,626	-	-	-	466,626	-
Interest on long-term debt	52,160	63,137	-	-	52,160	63,137
Electric	-	-	6,451,320	7,898,819	6,451,320	7,898,819
Water	-	-	1,698,567	1,574,856	1,698,567	1,574,856
Sewer	-	-	2,969,436	2,369,981	2,969,436	2,369,981
Stormwater	-	-	583,797	363,302	583,797	363,302
Total expenses	12,760,464	10,915,688	11,703,120	12,206,958	24,463,584	23,122,646
Increase in net position, before transfers	(891,762)	5,048,597	3,339,786	1,697,660	2,448,024	6,746,257
Transfers	650,000	(2,514,984)	(650,000)	2,514,984	-	-
Increase in net position, after transfers	(241,762)	2,533,613	2,689,786	4,212,644	2,448,024	6,746,257
Net position, beginning, previously reported	34,522,186	31,988,573	25,461,169	21,248,525	59,983,355	53,237,098
Prior period adjustment	-	-	10,544,228	-	10,544,228	-
Net position, beginning, restated	34,522,186	31,988,573	36,005,397	21,248,525	70,527,583	53,237,098
Net position, ending	<u>\$ 34,280,424</u>	<u>\$ 34,522,186</u>	<u>\$ 38,695,183</u>	<u>\$ 25,461,169</u>	<u>\$ 72,975,607</u>	<u>\$ 59,983,355</u>

Governmental activities- Governmental activities decreased the Town's net position by \$241,762. Contributing factors for this decrease in net position was due to less grant revenues and an increase in expenditures.

Business-type activities- Business-type activities of the Town reported \$38,695,183 in net position, an increase of \$2,689,786 before prior year adjustment. Positively impacting net position was a \$12,946,737 of revenue from charges for services.

Financial Analysis of the Town's Funds

As noted earlier, the Town of Winterville 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, unassigned 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 of Winterville. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,761,390, while the total fund balance reached \$16,662,918. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 118% of total General Fund expenditures, while total fund balance is 143% of total General Fund expenditures

At June 30, 2024, the governmental funds of the Town of Winterville reported a fund balance of \$16,692,430 with a net increase in fund balance of \$1,260,5741. Included in this change in fund balance is an increase in fund balance in the General Fund totaling \$1,231,002.

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.

Revenues were more than the budgeted amounts primarily because the Town did not expect to receive some of the unrestricted intergovernmental funds that became available. Expenditures were held in check to comply with its budgetary requirements

Proprietary Fund. The Town's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Proprietary Fund at the end of the fiscal year amounted to \$15,673,201. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities

Capital Assets and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$52,548,869 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the additions of land and funding of capital projects, equipment, vehicles and infrastructure. Disposals included equipment and vehicles.

**Town of Winterville, North Carolina's Capital Assets
(Net of depreciation)
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and construction in progress	\$ 5,891,231	\$ 5,473,695	\$ 1,487,001	\$ 3,904,299	\$ 7,378,232	\$ 2,863,857
Distribution and treatment systems	-	-	26,600,092	22,395,362	26,600,092	3,620,615
Buildings	2,863,786	3,089,510	34,454	62,659	2,898,240	1,746,898
Infrastructure	11,885,232	13,196,510	-	-	11,885,232	5,517,256
Software	201,315	303,718	-	-	201,315	26,537,895
Equipment and vehicles	2,928,005	3,099,655	657,753	633,629	3,585,758	1,468,790
Total	\$ 23,769,569	\$ 25,163,088	\$ 28,779,300	\$ 26,995,949	\$ 52,548,869	\$ 52,159,037

Additional information on the Town's capital assets can be found in the notes to the Basic Financial Statements.

Long-term Debt. As of June 30, 2024, the Town had total bonded debt outstanding of \$7,710,789. This amount is backed by the full faith, credit, and taxing power of the Town of Winterville. The Town's total debt as of June 30, 2024 amounted to \$15,471,574 which was a decrease of \$245,267 from prior year.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Installment purchases	\$ 1,953,471	\$ 2,187,315	\$ 5,757,318	\$ 6,305,141	\$ 7,710,789	\$ 8,492,456
Compensated absences	367,954	484,629	60,222	91,981	428,176	576,610
Net pension liability (LGERS)	3,139,067	2,833,449	817,500	698,648	3,956,567	3,532,097
Total pension liability (LEO)	699,396	477,176	-	-	699,396	477,176
Total OPEB liability	1,927,185	1,899,722	749,461	738,780	2,676,646	2,638,502
Total	\$ 8,087,073	\$ 7,882,291	\$ 7,384,501	\$ 7,834,550	\$ 15,471,574	\$ 15,716,841

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for the Town of Winterville is \$81,719,573. The Town has no bonds authorized but unissued at June 30, 2024.

Additional information regarding the Town's long-term debt can be found in the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect a continued stable rate of growth and prosperity for the Town:

- The tax levy for the Town’s real property saw an increase due to moderate growth and the 2024 tax assessment revaluation with estimated tax revenue of \$6,639,947, an increase of \$1,822,572.
- The population growth increased to 10,821 from 10,724 from 2023 to 2024.
- The total number of utility customers has increased slightly reflecting slow to moderate growth.
- The utilities will include a \$3.50 per month increase for sanitation, a \$7.00 increase per month to the sewer flat rate fee, as well as restructuring to the electric rate schedule that will reduce the kilowatt-hour rate for each customer and increase the base facility fee.
- Fund balance appropriated in the General Fund for fiscal year 2024-2025 is \$386,483.
- Next year’s budget will have to address the following issues:
 - ◆ The General Fund will be subsidized with \$350,000 from the Electric Fund, and reimbursements from the enterprise funds for services in the amount of \$1,455,766.
 - ◆ Staff will receive raises this year with a COLA in the amount of 5% and a 1.2% - 2.4% opportunity for a merit increase.
 - ◆ Due to the decrease of federal stimulus fund spending and inflation, the town is anticipating a slight increase in sales tax revenue.
 - ◆ The 2024-2025 budget includes \$458,000 of new debt proceeds in the General Fund and \$300,000 in the Sewer Fund.
 - ◆ The Town has begun a new \$8 million sewer rehabilitation project that is being financed through the North Carolina Division of Environmental Quality.

Requests for Information

This report is designed to provide an overview of the Town of Winterville’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Jessica Manning, P. O. Box 1459, Winterville, NC 28590. You can also call (252) 215-2348, visit our website www.wintervillenc.com or by email at jessica.manning@wintervillenc.com for more information.

BASIC FINANCIAL STATEMENTS

Town of Winterville, North Carolina
Statement of Net Position
Governmental Funds
June 30, 2024

	Primary Government		
	Government Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 15,646,282	\$ 14,481,768	\$ 30,128,050
Restricted cash and cash equivalents	1,103,299	184,478	1,287,777
Taxes receivables (net)	78,338	-	78,338
Accrued interest receivable on taxes	13,929	-	13,929
Accounts receivable (net)	96,079	1,610,262	1,706,341
Due from other governments	1,252,886	-	1,252,886
Inventories	23,347	1,275,925	1,299,272
Total current assets	<u>18,214,160</u>	<u>17,552,433</u>	<u>35,766,593</u>
Non-current assets:			
Capital assets:			
Land and construction in progress	5,891,231	1,487,001	7,378,232
Other capital assets, net of depreciation	17,878,338	27,292,299	45,170,637
Total capital assets	<u>23,769,569</u>	<u>28,779,300</u>	<u>52,548,869</u>
TOTAL ASSETS	<u>41,983,729</u>	<u>46,331,733</u>	<u>88,315,462</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals - LGERS	1,882,491	472,135	2,354,626
Pension deferrals - LEO	234,516	-	234,516
OPEB deferrals	417,691	162,435	580,126
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,534,698</u>	<u>634,570</u>	<u>3,169,268</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	993,593	492,113	1,485,706
Compensated absences - current	55,000	26,507	81,507
Installment purchase payable - current	558,663	616,034	1,174,697
Liabilities payable from restricted assets:			
Customer deposits	443,806	184,478	628,284
Total current liabilities	<u>2,051,062</u>	<u>1,319,132</u>	<u>3,370,194</u>
Long-term liabilities:			
Net pension liability - LGERS	3,139,067	817,500	3,956,567
Total pension liability - LEOSSA	699,396	-	699,396
Total OPEB liability	1,927,185	749,461	2,676,646
Installment purchases	1,394,808	5,141,284	6,536,092
Compensated absences	312,954	33,715	346,669
Total long-term liabilities	<u>7,473,410</u>	<u>6,741,960</u>	<u>14,215,370</u>
TOTAL LIABILITIES	<u>9,524,472</u>	<u>8,061,092</u>	<u>17,585,564</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals - LGERS	185,171	43,496	228,667
Pension deferrals - LEO	100,134	-	100,134
OPEB deferrals	428,226	166,532	594,758
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>713,531</u>	<u>210,028</u>	<u>923,559</u>
NET POSITION			
Net investment in capital assets	21,816,098	23,021,982	44,838,080
Restricted for:			
Stabilization by State Statute	1,348,965	-	1,348,965
Streets	572,730	-	572,730
Public safety	194,228	-	194,228
Recreation	181,470	-	181,470
Unrestricted	10,166,933	15,673,201	25,840,134
TOTAL NET POSITION	<u>\$ 34,280,424</u>	<u>\$ 38,695,183</u>	<u>\$ 72,975,607</u>

**Town of Winterville, North Carolina
Statement of Activities
For the Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		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	\$ 3,128,470	\$ 51,394	\$ 10,000	\$ -	\$ (3,067,076)	\$ -	\$ (3,067,076)
Public safety	4,939,180	199,955	207,048	33,497	(4,498,680)	-	(4,498,680)
Transportation	2,575,684	-	346,022	-	(2,229,662)	-	(2,229,662)
Environmental protection	676,573	617,498	-	-	(59,075)	-	(59,075)
Cultural and recreation	921,771	135,701	-	-	(786,070)	-	(786,070)
Public buildings	466,626	190,462	-	-	(276,164)	-	(276,164)
Interest on long-term debt	52,160	-	-	-	(52,160)	-	(52,160)
Total governmental activities	<u>12,760,464</u>	<u>1,195,010</u>	<u>563,070</u>	<u>33,497</u>	<u>(10,968,887)</u>	<u>-</u>	<u>(10,968,887)</u>
Business-type activities:							
Electric	6,451,320	7,981,365	-	-	-	1,530,045	1,530,045
Water	1,698,567	1,741,721	-	-	-	43,154	43,154
Sewer	2,969,436	2,697,058	-	-	-	(272,378)	(272,378)
Stormwater	583,797	526,593	-	42,775	-	(14,429)	(14,429)
Total business-type activities	<u>11,703,120</u>	<u>12,946,737</u>	<u>-</u>	<u>42,775</u>	<u>-</u>	<u>1,286,392</u>	<u>1,286,392</u>
Total primary government	<u>\$ 24,463,584</u>	<u>\$ 14,141,747</u>	<u>\$ 563,070</u>	<u>\$ 76,272</u>	<u>(10,968,887)</u>	<u>1,286,392</u>	<u>(9,682,495)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					4,986,419	-	4,986,419
Local option sales tax					3,572,090	-	3,572,090
Other taxes and licenses					463,055	-	463,055
Investment earnings, unrestricted					715,026	483,605	1,198,631
Miscellaneous, unrestricted					340,535	1,569,789	1,910,324
Transfers					650,000	(650,000)	-
Total general revenues, special items, and transfers					<u>10,727,125</u>	<u>1,403,394</u>	<u>12,130,519</u>
Change in net position					(241,762)	2,689,786	2,448,024
Net position, beginning, previously reported					34,522,186	25,461,169	59,983,355
Prior period adjustment					-	10,544,228	10,544,228
Net position, beginning, restated					<u>34,522,186</u>	<u>36,005,397</u>	<u>70,527,583</u>
Net position, ending					<u>\$ 34,280,424</u>	<u>\$ 38,695,183</u>	<u>\$ 72,975,607</u>

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

Town of Winterville, North Carolina
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds		Total Governmental Funds
	General Fund	Safe Routes for School	
ASSETS			
Cash and equivalents	\$ 15,646,282	\$ -	\$ 15,646,282
Restricted cash and cash equivalents	1,073,428	29,871	1,103,299
Receivables, net:			
Taxes	78,338	-	78,338
Accounts	96,079	-	96,079
Due from other governments	1,252,886	-	1,252,886
Inventories	23,347	-	23,347
Total assets	<u>\$ 18,170,360</u>	<u>\$ 29,871</u>	<u>\$ 18,200,231</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 977,989	\$ 359	\$ 978,348
Liabilities payable from restricted assets:			
Customer deposits	443,806	-	443,806
Total liabilities	<u>1,421,795</u>	<u>359</u>	<u>1,422,154</u>
DEFERRED INFLOWS OF RESOURCES			
Accounts receivable, net (garbage)	7,309	-	7,309
Property taxes receivable	78,338	-	78,338
Total deferred inflows of resources	<u>85,647</u>	<u>-</u>	<u>85,647</u>
FUND BALANCES			
Nonspendable			
Inventories	23,347	-	23,347
Restricted			
Stabilization by State Statute	1,348,965	-	1,348,965
Streets	572,730	-	572,730
Public Safety	194,228	29,512	223,740
Recreation	181,470	-	181,470
Committed			
Housing	69,305	-	69,305
OPEB	125,000	-	125,000
Assigned			
Subsequent years expenditures	386,483	-	386,483
Unassigned	13,761,390	-	13,761,390
Total fund balances	<u>16,662,918</u>	<u>29,512</u>	<u>16,692,430</u>
Total fund balance, total liabilities, deferred inflows of resources and fund balance	<u>\$ 18,170,360</u>	<u>\$ 29,871</u>	<u>\$ 18,200,231</u>

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

Town of Winterville, North Carolina
Balance Sheet
Governmental Funds
June 30, 2024

Amounts reported for governmental activities in the Statement of Net

Capital assets used in governmental activities are not financial		
Gross capital assets at historical costs	56,675,551	
Less: accumulated depreciation	<u>(32,905,982)</u>	23,769,569
Earned revenues considered deferred inflows of resources in fund statements		85,647
Interest receivable on deferred property taxes		13,929
Deferred outflows of resources related to pensions and opeb are not		
Pension deferral - LGERS		1,882,491
Pension deferral - LEO		234,516
OPEB deferral		417,691
Liabilities for earned revenues considered deferred inflows of resources in fund statements		
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)		
Installment purchases		(1,953,471)
Accrued interest on long-term liabilities		(15,245)
Compensated absences		(367,954)
Net pension liability		(3,139,067)
Total pension liability		(699,396)
OPEB liability		(1,927,185)
Deferred inflows of resources related to pensions and opeb are not		
Pension deferral - LGERS		(185,171)
Pension deferral - LEO		(100,134)
OPEB deferral		(428,226)
Net position of governmental activities		<u><u>\$ 34,280,424</u></u>

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

Town of Winterville, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	Major Governmental Fund		
	General Fund	Safe Routes for School	Total Governmental Funds
REVENUES			
Ad valorem taxes	\$ 4,966,101	\$ -	\$ 4,966,101
Other taxes and licenses	27,198	-	27,198
Unrestricted intergovernmental	4,035,145	-	4,035,145
Restricted intergovernmental	701,258	33,497	734,755
Permits and fees	24,196	-	24,196
Sales and services	1,063,563	-	1,063,563
Investment earnings	715,026	-	715,026
Miscellaneous	340,535	-	340,535
Total revenues	<u>11,873,022</u>	<u>33,497</u>	<u>11,906,519</u>
EXPENDITURES			
Current:			
General government	2,570,964	-	2,570,964
Public safety	4,512,599	3,985	4,516,584
Transportation	1,598,729	-	1,598,729
Environmental protection	699,107	-	699,107
Cultural and recreation	769,688	-	769,688
Public buildings	850,499	-	850,499
Debt service			
Principal retirement	593,844	-	593,844
Interest	56,530	-	56,530
Total expenditures	<u>11,651,960</u>	<u>3,985</u>	<u>11,655,945</u>
Excess (deficiency) of revenues over expenditures	<u>221,062</u>	<u>29,512</u>	<u>250,574</u>
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds	650,000	-	650,000
Proceeds from issuance of debt	360,000	-	360,000
Total other financing sources (uses)	<u>1,010,000</u>	<u>-</u>	<u>1,010,000</u>
Net change in fund balance	1,231,062	29,512	1,260,574
Fund balances, beginning	15,431,856	-	15,431,856
Fund balances, ending	<u>\$ 16,662,918</u>	<u>\$ 29,512</u>	<u>\$ 16,692,430</u>

Town of Winterville, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

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

Net changes in fund balance - total government funds		\$ 1,260,574
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital outlay expenditures which were capitalized	885,017	
Depreciation expense for governmental assets	(2,136,687)	
Loss on disposal of assets	<u>(141,849)</u>	(1,393,519)
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		522,260
<p>Benefit payments paid and administrative expense for OPEB are not included on the Statement of Activities</p>		
		51,506
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in unavailable revenue for tax revenues	21,127	
Change in accrued interest on taxes receivable	(809)	
Change in unavailable revenue for garbage revenues	<u>(58,136)</u>	(37,818)
<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	(360,000)	
Principle payments on long-term debt	593,844	
Change in accrued interest payable	<u>4,370</u>	238,214
<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>		
Compensated absences	116,675	
Pension expense - LEOSSA	(72,103)	
Pension expense - NCLGERS	(728,838)	
OPEB plan expense	<u>(198,713)</u>	(882,979)
Total changes in net position of governmental activities		<u><u>\$ (241,762)</u></u>

Town of Winterville, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 4,796,067	\$ 4,850,260	\$ 4,966,101	\$ 115,841
Other taxes and licenses	25,807	25,807	27,198	1,391
Unrestricted intergovernmental	4,028,694	4,045,352	4,035,145	(10,207)
Restricted intergovernmental	697,584	697,584	701,258	3,674
Permits and fees	23,000	23,000	24,196	1,196
Sales and services	1,076,298	1,076,298	1,063,563	(12,735)
Investment earnings	313,577	313,577	715,026	401,449
Miscellaneous	236,794	236,794	340,535	103,741
Total revenues	<u>11,197,821</u>	<u>11,268,672</u>	<u>11,873,022</u>	<u>604,350</u>
Expenditures:				
Current:				
General government	3,233,472	3,374,178	2,570,964	803,214
Public safety	5,531,472	5,646,625	4,512,599	1,134,026
Transportation	2,277,710	2,277,710	1,598,729	678,981
Environmental protection	856,000	733,293	699,107	34,186
Cultural and recreation	1,347,541	1,105,195	769,688	335,507
Public buildings	945,022	1,125,067	850,499	274,568
Debt service				
Principal retirement	593,845	593,845	593,844	1
Interest	56,534	56,534	56,530	4
Total expenditures	<u>14,841,596</u>	<u>14,912,447</u>	<u>11,651,960</u>	<u>3,260,487</u>
Revenues over (under) expenditures	<u>(3,643,775)</u>	<u>(3,643,775)</u>	221,062	3,864,837
Other financing sources (uses):				
Transfer from (to) other funds	1,639,501	650,000	650,000	-
Proceeds from issuance of debt	359,400	359,400	360,000	600
Total other financing sources (uses)	<u>1,009,400</u>	<u>1,009,400</u>	<u>1,010,000</u>	<u>600</u>
Fund balance appropriated	2,634,375	2,634,375	-	(2,634,375)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,231,062	<u>\$ 1,231,062</u>
Fund balances, beginning			<u>15,431,856</u>	
Funds balances, ending			<u>\$ 16,662,918</u>	

Town of Winterville, North Carolina
Statement of Net Position
Governmental Funds
June 30, 2024

	Major Enterprise Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 7,080,951	\$ 2,111,915	\$ 712,864	\$ 4,576,038	\$ 14,481,768
Accounts receivable (net)	983,896	227,796	345,039	53,531	1,610,262
Inventories	1,150,013	32,311	93,601	-	1,275,925
Restricted cash and cash equivalents	141,983	14,145	28,350	-	184,478
Total current assets	9,356,843	2,386,167	1,179,854	4,629,569	17,552,433
Noncurrent Assets:					
Capital Assets:					
Land and construction in progress	809,993	8,000	590,977	78,031	1,487,001
Other capital assets, net of depreciation	4,511,314	6,178,787	12,431,430	4,170,768	27,292,299
Capital assets	5,321,307	6,186,787	13,022,407	4,248,799	28,779,300
Total noncurrent assets	5,321,307	6,186,787	13,022,407	4,248,799	28,779,300
TOTAL ASSETS	14,678,150	8,572,954	14,202,261	8,878,368	46,331,733
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	292,856	101,166	55,706	22,407	472,135
OPEB deferrals	87,019	46,410	23,205	5,801	162,435
TOTAL DEFERRED OUTFLOWS OF RESOURCES	379,875	147,576	78,911	28,208	634,570
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	152,969	303,159	18,235	17,750	492,113
Compensated absences - current	15,000	5,000	735	5,772	26,507
Installment purchase payable - current	95,719	150,370	369,945	-	616,034
Liabilities payable from restricted assets:					
Customer deposits	141,983	14,145	28,350	-	184,478
Total current liabilities	405,671	472,674	417,265	23,522	1,319,132
Noncurrent liabilities:					
Net pension liability	499,884	181,246	98,570	37,800	817,500
Total OPEB liability	401,497	214,132	107,066	26,766	749,461
Installment purchase payable	-	1,155,480	3,985,804	-	5,141,284
Compensated absences	27,303	6,412	-	-	33,715
Total noncurrent liabilities	928,684	1,557,270	4,191,440	64,566	6,741,960
TOTAL LIABILITIES	1,334,355	2,029,944	4,608,705	88,088	8,061,092
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	27,681	8,727	4,926	2,162	43,496
OPEB deferrals	89,213	47,581	23,791	5,947	166,532
TOTAL DEFERRED INFLOWS OF RESOURCES	116,894	56,308	28,717	8,109	210,028
NET POSITION					
Net investment in capital assets	5,225,588	4,880,937	8,666,658	4,248,799	23,021,982
Restricted	-	-	-	-	-
Unrestricted	8,381,188	1,753,341	977,092	4,561,580	15,673,201
TOTAL NET POSITION	\$ 13,606,776	\$ 6,634,278	\$ 9,643,750	\$ 8,810,379	\$ 38,695,183

Town of Winterville, North Carolina
Statement of Net Position
June 30, 2024

	Major Enterprise Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	
Operating revenues:					
Charges for services	\$ 7,977,047	\$ 1,702,564	\$ 2,697,058	\$ 526,593	\$ 12,903,262
Other operating revenues	4,318	39,157	-	-	43,475
Total operating revenues	7,981,365	1,741,721	2,697,058	526,593	12,946,737
Operating expenses:					
Operations	2,346,235	1,440,409	-	500,611	4,287,255
Electrical power purchases	3,651,526	-	-	-	3,651,526
Waste collection and treatment	-	-	2,436,605	-	2,436,605
Depreciation	449,071	223,462	490,674	83,186	1,246,393
Total operating expenses	6,446,832	1,663,871	2,927,279	583,797	11,621,779
Operating income (loss)	1,534,533	77,850	(230,221)	(57,204)	1,324,958
Non-operating revenues (expenses):					
Grant revenue	-	-	-	42,775	42,775
Investment earnings	288,999	84,592	51,230	58,784	483,605
Contributions	-	-	27,292	-	27,292
Sale of capital assets	-	-	10,744	-	10,744
Gain on gift of assets	-	441,106	716,071	374,576	1,531,753
Interest expense	(4,488)	(34,696)	(42,157)	-	(81,341)
Total non-operating revenues (expenses)	284,511	491,002	763,180	476,135	2,014,828
Income (loss) before transfers	1,819,044	568,852	532,959	418,931	3,339,786
Transfers from (to) other funds	(650,000)	(260,000)	260,000	-	(650,000)
Change in net position	1,169,044	308,852	792,959	418,931	2,689,786
Net position, beginning, previously reported	12,437,732	2,867,244	4,257,637	5,898,556	25,461,169
Prior period restatement	-	3,458,182	4,593,154	2,492,892	10,544,228
Net position, beginning, as restated	12,437,732	6,325,426	8,850,791	8,391,448	36,005,397
Total net position, ending	\$ 13,606,776	\$ 6,634,278	\$ 9,643,750	\$ 8,810,379	\$ 38,695,183

**Town of Winterville, North Carolina
Statement of Cash Flows
Proprietary Fund - Public Utilities Fund
For the Year Ended June 30, 2024**

	Major Enterprise Fund				Totals
	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 7,647,515	\$ 1,687,486	\$ 2,572,935	\$ 532,696	\$ 12,440,632
Cash paid for goods and services	(4,984,452)	(854,723)	(2,470,790)	(377,118)	(8,687,083)
Cash paid to or on behalf of employees for services	(936,885)	(317,269)	(168,374)	(112,283)	(1,534,811)
Net cash provided (used) by operating activities	<u>1,726,178</u>	<u>515,494</u>	<u>(66,229)</u>	<u>43,295</u>	<u>2,218,738</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds	(650,000)	(260,000)	260,000	-	(650,000)
Net cash provided (used) by non-capital financing activities	<u>(650,000)</u>	<u>(260,000)</u>	<u>260,000</u>	<u>-</u>	<u>(650,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of assets	-	-	10,744	-	10,744
Acquisition and construction of capital assets	(776,830)	(269,934)	(352,624)	(98,602)	(1,497,990)
Capital contributions - Federal, state, and local grants	-	-	27,292	42,775	70,067
Loan proceeds - installment purchase	-	-	150,000	-	150,000
Principal payments on long term debt	(184,492)	(146,736)	(366,595)	-	(697,823)
Interest paid on debt	(4,488)	(34,696)	(42,157)	-	(81,341)
Net cash provided (used) in capital and related financing activities	<u>(965,810)</u>	<u>(451,366)</u>	<u>(573,340)</u>	<u>(55,827)</u>	<u>(2,046,343)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	288,999	84,592	51,230	58,784	483,605
Net cash provided (used) by investing activities	<u>288,999</u>	<u>84,592</u>	<u>51,230</u>	<u>58,784</u>	<u>483,605</u>
Net increase (decrease) in cash and cash equivalents	399,367	(111,280)	(328,339)	46,252	6,000
Cash and cash equivalents, beginning	6,823,567	2,237,340	1,069,553	4,529,786	14,660,246
Cash and cash equivalents, ending	<u>\$ 7,222,934</u>	<u>\$ 2,126,060</u>	<u>\$ 741,214</u>	<u>\$ 4,576,038</u>	<u>\$ 14,666,246</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,534,533	\$ 77,850	\$ (230,221)	\$ (57,204)	\$ 1,324,958
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities :					
Depreciation	449,071	223,462	490,674	83,186	1,246,393
Changes in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable	(204,884)	(53,323)	(74,541)	6,103	(326,645)
(Increase) decrease in inventories	(128,966)	(912)	(49,582)	-	(179,460)
(Increase) decrease in deferred outflows of resources - pensions	(11,662)	(6,220)	(3,110)	(777)	(21,769)
(Increase) decrease in deferred outflows of resources - OPEB	11,263	6,007	3,004	751	21,025
Increase (decrease) in net pension liability	63,670	33,958	16,979	4,245	118,852
Increase (decrease) in deferred inflows of resources - pensions	(3,167)	(1,689)	(844)	(211)	(5,911)
Increase (decrease) in deferred inflows of resources - OPEB	13,683	7,298	3,649	912	25,542
Increase (decrease) in accounts payable and accrued liabilities	16,497	223,571	(227,123)	7,021	19,966
Increase (decrease) in customer deposits	9,825	1,490	5,550	-	16,865
Increase (decrease) in compensated absences	(29,407)	950	(2,190)	(1,112)	(31,759)
Increase (decrease) in accrued OPEB liability	5,722	3,052	1,526	381	10,681
Total adjustments	<u>\$ 1,726,178</u>	<u>\$ 515,494</u>	<u>\$ (66,229)</u>	<u>\$ 43,295</u>	<u>\$ 2,218,738</u>

NOTES TO THE FINANCIAL STATEMENTS

Town of Winterville, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Winterville (the “Town”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Winterville is a municipal corporation which is governed by an elected mayor and a five-member Council.

B. Basis of Presentation

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Certain interfund services provided / used are not eliminated in the process of consolidation. 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 specific 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 specific 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 and enterprise funds are aggregated and reported as nonmajor 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, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance, and construction, sanitation services.

Safe Routes for School. This fund was established to house the grants for the sidewalk construction projects.

The Town reports the following major enterprise funds:

Electric Fund - The Electric Fund accounts for the Town’s electric operations

Water Fund - The Water Fund accounts for the Town’s water operations. Water Capital Projects Funds have been consolidated into the Water Fund for financial reporting purposes. The budgetary comparisons for the Water Capital Projects Funds have been included in the supplemental information.

Sewer Fund - The Sewer Fund accounts for the Town’s sewer operations. Sewer Capital Projects Funds have been consolidated into the Sewer Fund for financial reporting purposes. The budgetary comparisons for the Sewer Capital Projects Funds have been included in the supplemental information.

Stormwater Fund - The Stormwater Fund accounts for the Town's stormwater operations. Stormwater Capital Projects Funds have been consolidated into the Stormwater Fund for financial reporting purposes. The budgetary comparisons for the Stormwater Capital Projects Funds have been included in the supplemental information.

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 funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation 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 compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. 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 utility 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 Pitt County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General and Enterprise Funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for American Rescue Plan Fund and the enterprise capital projects funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. N.C. General Statutes requires governmental entities to budget appropriations by department, function or project. The Town's budget ordinance is approved at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. The original budget ordinance gives the Town Manager (Budget Officer) authority to amend line item appropriations within any fund as long as the total appropriation of that fund is not changed. Any amounts that alter total expenditures between the funds must be approved by the governing board through an amendment to the budget ordinance. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law (G.S. 159-30(c)) authorizes the Town 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 non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust ("NCCMT"). The Town and the ABC Board's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which approximates fair value, and is the NCCMT's share price. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments with an original maturity date of three months or less are considered cash and cash equivalents. Under GASB Codification 150: Investments, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of June 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Town's access to 100 percent of their account value in either external investment pool.

3. Restricted Assets

Restricted assets include the portion of cash and cash equivalents related to funds received through the North Carolina Department of Justice required to be spent for local law enforcement purposes. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes of outlined in G.S. 136-41.1 through 136-41.4. Other amounts in restricted cash are development fees collected for future expenditures on parks and recreation, electric and sewer projects and letters of credit from construction contractors for subdivision improvements. Donations received by the Electric Fund to assist low income customers with utility bill payments are included in restricted cash. The unexpended loan proceeds of the Sewer Fund are classified as restricted assets within the Sewer Fund because their use is completely restricted to the purpose for which the loan was originally issued.

Town of Winterville Restricted Cash and Cash Investments

Governmental Activities	
General Fund	
Streets	\$ 572,730
Public Safety	224,099
OPEB reserve	125,000
Recreation	<u>181,470</u>
Total governmental activities	<u>1,103,299</u>
Business-type Activities	
Electric Fund	
Customer deposits	141,983
Water Fund	
Customer deposits	14,145
Sewer Fund	
Customer deposits	<u>28,350</u>
Total Business-type activities	<u>184,478</u>
Total Restricted Cash and Cash Investments	<u>\$ 1,287,777</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2023.

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The Town's general fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased. If significant, the amount of inventory on hand at year end is reported on the balance sheet in the governmental funds. However, in the Government-wide Statement Activities the cost of these inventories is expensed as the items are used.

The inventories of the Town's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings, improvements, substations, lines, and other plant and distribution systems, infrastructure, furniture and equipment, and vehicles, \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The right to use lease 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 asset into service. The right to use lease 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 should be reported as a prepayment (asset). Such prepayments should 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 should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

The Town’s 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.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	20-60 years
Buildings	25-30 years
Vehicles	5-10 years
Equipment	5-7 years
Software	5 years

8. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The Town has two items that meets the criterion, pension and OPEB deferrals for the 2024 fiscal year. In addition to liabilities, the balance sheet or statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Revenues*, represent an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then. The Town has four items that meet the criterion for this category – property taxes receivable, garbage receivables, pension deferrals and OPEB deferrals.

9. Long-Term Obligations

In the government-wide financial statements and the 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.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of earned vacation leave up to one hundred twenty hours (240) for general employees and one hundred twenty-seven hours (252) for law enforcement employees, with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

11. Net Position/Fund Balances

Net Position

Net position in the 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 Balances

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

The governmental fund types classify fund balances as follows:

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

Inventories – The portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, 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 Public Safety – The portion of fund balance that is restricted by revenue source for certain police, EMS and rescue service expenditures

Restricted for Recreation – The portion of fund balance that is restricted by revenue source for certain recreation expenditures.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Winterville’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.

Committed for Housing – The portion of fund balance that can only be used for the housing repair program.

Committed for OPEB – The portion of fund balance that can only be used for the funding or payment of future benefits.

Assigned Fund Balance - The portion of fund balance that the Town of Winterville intends to use for specific purposes. The governing body approves the appropriation; however, the budget ordinance authorizes the Town Manager to modify line item appropriations as long as the total for the fund does not change.

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

Unassigned Fund Balance - The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds and that has not been reported as nonspendable fund balance.

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

The Town Council has also adopted a fund balance reserve policy in order to maintain the general fund unrestricted fund balance at a level sufficient to provide the required resources to meet operating cost needs, to allow for unforeseen needs of an emergency nature and to permit orderly adjustments as a result of unanticipated revenue shortfalls. The Town will define these amounts as “available fund balance”. The Town will strive to maintain a minimum unrestricted fund balance of 25% of the current year’s expenditures. The Town Council may appropriate unrestricted fund balance that will reduce the unrestricted fund balance below 25% on a limited basis which should only occur for the purpose of a declared fiscal emergency. If this occurs, the Town Council will develop a plan to restore the unrestricted fund balance within three years from the date of the appropriation.

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’s employer contributions are recognized when due and the Town 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.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles general accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None.

2. Contractual Violations

None.

B. Deficit in Fund Balance or Net Position of Individual Funds

None.

C. Excess of Expenditures over Appropriations

None.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All of the Town’s deposits 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 agent in the Town’s name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town’s agent in the Town’s name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town does not have a formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G. S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the Town’s deposits had a carrying amount of \$17,509,617 and a bank balance of \$17,989,618. Of the bank balance, \$250,000 was covered by federal depository insurance and \$17,259,617 was covered by collateral held under the Pooling Method. At June 30, 2024, the Town’s petty cash totaled \$800.

2. Investments

At June 30, 2024, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust-Government Portfolio	Fair Value-Level 1	\$ 13,905,410	N/A	AAAm
		<u>\$ 13,905,410</u>		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ benchmark quoted prices.

Interest Rate Risk. The Town has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's internal investment policy limits at least half of the Town's investment portfolio to maturities of less than 12 months. Also, the Town's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

Credit risk. The Town has no formal policy regarding credit risk but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Town's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2024.

3. Receivables

Receivables - Allowance for Doubtful Accounts

The receivables presented in the statement of net position are presented net of the following allowance for doubtful accounts:

	Charges for Service - Accounts		Taxes	Due from other Governments	Total
Governmental activities:					
General	\$ 119,888	\$ 102,597	\$ 1,252,886	\$ 1,475,371	
Allowance for doubtful accounts	(23,809)	(24,259)	-	(48,068)	
Total governmental activities	\$ 96,079	\$ 78,338	\$ 1,252,886	\$ 1,427,303	
Business-type activities:					
Electric charges for service	\$ 1,041,308	\$ (57,412)	\$ 983,896		
Water charges for service	240,844	(13,048)	227,796		
Sewer charges for service	365,514	(20,475)	345,039		
Stormwater charges for service	58,048	(4,517)	53,531		
Total business-type activities	\$ 1,705,714	\$ (95,452)	\$ 1,610,262		

Due from other governments consists of the following:

Local option sales tax	\$ 845,932
Sales tax refund receivable	190,987
Utility franchise tax	80,399
Solid waste tax	2,015
Pitt County - property taxes motor vehicles	133,553
	<u>\$ 1,252,886</u>

4. Capital Assets

Capital asset activity for the Primary Government was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,218,528	\$ 408,536	\$ -	\$ 5,627,064
Construction in progress	255,167	9,000	-	264,167
Total capital assets not being depreciated	5,473,695	417,536	-	5,891,231
Capital assets being depreciated:				
Buildings	7,484,123	9,518	-	7,493,641
Equipment	33,822,463	-	-	33,822,463
Improvements	5,421,614	280,091	291,909	5,409,796
Vehicles and motorized equipment	1,170,465	-	-	1,170,465
Other	3,212,042	177,872	501,959	2,887,955
Total capital assets being depreciated	51,110,707	467,481	793,868	50,784,320
Less accumulated depreciation for:				
Buildings	4,394,613	235,242	-	4,629,855
Equipment	20,625,953	1,311,278	-	21,937,231
Improvements	2,832,353	289,491	291,909	2,829,935
Vehicles and motorized equipment	866,747	102,403	-	969,150
Other	2,701,648	198,273	360,110	2,539,811
Total accumulated depreciation	31,421,314	\$ 2,136,687	\$ 652,019	32,905,982
Total capital assets being depreciated, net	19,689,393			17,878,338
Governmental activity capital assets, net	\$ 25,163,088			\$ 23,769,569

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

General Government	\$ 443,987
Public Safety	328,693
Transportation	1,222,904
Cultural and Recreational	141,103
Total Depreciation Expense	\$ 2,136,687

Capital asset activity for the Business-Type Activities was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Electric Fund				
Capital assets not being depreciated:				
Land	\$ 146,013	\$ -	\$ -	\$ 146,013
Construction in progress	-	663,980	-	663,980
Total capital assets not being depreciated	146,013	663,980	-	809,993
Capital assets being depreciated				
Distribution system	9,673,895	24,920	-	9,698,815
Buildings	320,655	-	-	320,655
Equipment	1,039,715	-	-	1,039,715
Vehicles	732,289	87,930	-	820,219
Total capital assets being depreciated	11,766,554	112,850	-	11,879,404
Less accumulated depreciation for:				
Distribution system	5,232,439	316,394	-	5,548,833
Buildings	282,544	3,657	-	286,201
Equipment	816,211	61,725	-	877,936
Vehicles	587,825	67,295	-	655,120
Total accumulated depreciation	6,919,019	\$ 449,071	\$ -	7,368,090
Total capital assets being depreciated, net	4,847,535			4,511,314
Electric Fund capital assets, net	\$ 4,993,548			\$ 5,321,307

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water Fund				
Capital assets not being depreciated:				
Land	\$ 8,000	\$ -	\$ -	\$ 8,000
Total capital assets not being depreciated	8,000	-	-	8,000
Capital assets being depreciated:				
Water system, well, tank & distribution system	9,036,435	658,975	-	9,695,410
Equipment and vehicles	315,805	52,065	-	367,870
Total capital assets being depreciated	9,352,240	711,040	-	10,063,280
Less accumulated depreciation for:				
Water system, well, tank & distribution system	3,377,315	204,421		3,581,736
Equipment and vehicles	283,717	19,040		302,757
Total accumulated depreciation	3,661,032	\$ 223,461	\$ -	3,884,493
Total capital assets being depreciated, net	5,691,208			6,178,787
Water Fund capital assets, net	<u>\$ 5,699,208</u>			<u>\$ 6,186,787</u>
Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 41,084			\$ 41,084
Construction in progress	3,835,390	97,111	3,382,608	549,893
Total capital assets not being depreciated	3,876,474	97,111	3,382,608	590,977
Capital assets being depreciated:				
Equipment and vehicles	674,721	71,832	-	746,553
Sewer system	12,956,008	4,282,360	-	17,238,368
Sewer treatment facility	261,600	-	-	261,600
Total capital assets being depreciated	13,892,329	4,354,192	-	18,246,521
Less accumulated depreciation for:				
Equipment and vehicles	474,775	72,405	-	547,180
Sewer system	4,612,590	418,269	-	5,030,859
Sewer treatment facility	237,052	-	-	237,052
Total accumulated depreciation	5,324,417	\$ 490,674	\$ -	5,815,091
Total capital assets being depreciated, net	8,567,912			12,431,430
Sewer Fund capital assets, net	<u>\$ 12,444,386</u>			<u>\$ 13,022,407</u>
Stormwater Fund				
Capital assets not being depreciated:				
Land	\$ 8,625	\$ -	\$ -	\$ 8,625
Construction in progress	11,200	58,206	-	69,406
Total capital assets not being depreciated	19,825	58,206	-	78,031
Capital assets being depreciated:				
Distribution	4,529,131	374,577	-	4,903,708
Equipment	60,003	40,395	8,988	91,410
Total capital assets being depreciated	4,589,134	414,972	8,988	4,995,118
Less accumulated depreciation for:				
Distribution	723,776	75,553	-	799,329
Equipment	26,376	7,633	8,988	25,021
Total accumulated depreciation	750,152	\$ 83,186	\$ 8,988	824,350
Total capital assets being depreciated, net	3,838,982			4,170,768
Stormwater Fund capital assets, net	3,858,807			4,248,799
Business-type activities capital assets, net	<u>\$ 26,995,949</u>			<u>\$ 28,779,300</u>

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Winterville 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. 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 the State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Annual Financial Report (ACFR) for the State of North Carolina. The State's CAFR 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, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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 Winterville 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 Winterville's contractually required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.89% of compensation for general employees and firefighters, 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 Winterville were \$686,667 for the year ended June 30, 2024.

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, 2024, the Town reported a liability of \$3,956,567 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2023, the Town's proportion was 0.05974%, which was an decrease of 0.00287% from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the Town recognized pension expense of \$1,012,275. At June 30, 2024, 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	\$ 440,879	\$ 9,491
Changes of assumptions	168,130	-
Net difference between projected and actual earnings on pension plan investments	1,058,950	-
Changes in proportion and differences between Town's contributions and proportionate share of contributions	-	219,176
Town's contributions subsequent to the measurement date	686,667	-
Total	<u>\$ 2,354,626</u>	<u>\$ 228,667</u>

\$686,667 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a increase 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:

<u>Year Ended June 30</u>	
2025	\$ 475,186
2026	239,973
2027	679,356
2028	44,777
	<u>\$ 1,439,292</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increase, including inflation and productivity factor	3.25% - 8.25%
Investment rate of return, net of pension plan investment expense, including inflation	6.50%

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, 2011 through December 31, 2015.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1 % Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$6,854,595	\$3,956,567	\$1,570,637

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.

b. Law Enforcement Officers Special Separation Allowance

1. *Plan Description.*

The Town of Winterville 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, 2023, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	25
Total	<u>26</u>

2. 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.

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2022, valuation. The total pension liability in the December 31, 2022, 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 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022.

Mortality rates are based on the following:

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths Before Retirement: Mortality rates are based on the Safety Mortality Table for Employees

Deaths After Retirement (Beneficiary): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

4. 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 investment earnings. The Town paid \$79,933 as benefits came due for the reporting period.

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

At June 30, 2024, the Town reported a total pension liability of \$699,396. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of \$67,463.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,398	\$ 26,713
Changes of assumptions	75,118	73,421
Benefit payments and administrative costs made subsequent to the measurement date	-	-
Total	<u>\$ 234,516</u>	<u>\$ 100,134</u>

\$0 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2025	\$ 25,246
2026	36,044
2027	33,294
2028	15,224
2029	19,290
Thereaft	5,284
	<u>\$ 134,382</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 4.00 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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 755,177	\$ 699,396	\$ 648,664

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

	2024
Beginning balance	\$ 477,176
Service Cost	38,374
Interest on the total pension liability	19,966
Differences between expected and actual experience in the measurement of the total pension liability	176,750
Changes of assumptions or other inputs	14,990
Benefit payments	(27,860)
Ending balance of the total pension liability	<u>\$ 699,396</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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2020.

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:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$ 1,012,275	\$ 67,463	\$ 1,079,738
Pension liability	3,956,567	699,396	4,655,963
Proportionate share of the net pension liability	0.059740%	N/A	
Deferred of Outflows of Resources			
Differences between expected and actual experience	440,879	159,398	600,277
Changes of assumptions	168,130	75,118	243,248
Net difference between projected and actual earnings on plan investments	1,058,950	-	1,058,950
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-
Benefit payments and administrative costs paid subsequent to the measurement date	686,667	-	686,667
Deferred of Inflows of Resources			
Differences between expected and actual experience	9,491	26,713	36,204
Changes of assumptions	-	73,421	73,421
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	219,176	-	219,176

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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 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 Officer of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

The Town has also elected to have employees not engaged in law enforcement participate in the Supplement Retirement Income Plan. In addition, the ABC Board provides retirement benefits to full time employees.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 6.00% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$266,963, which consisted of \$187,030 from the Town and \$79,933 from the law enforcement officers.

d. Other Postemployment Benefits (OPEB)

Healthcare Benefits

Plan Description: Under the terms of a Town resolution, the Town administers a single employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System ("System") and have at least twenty-five years of creditable service with the Town. The Town pays the full cost of coverage for these benefits. Retirees with at least fifteen years of service may remain on the Town's plan and are eligible for premium supplements established by the Town Council. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Employees hired after July 1, 2017, will only be eligible for retiree insurance after completion of twenty or more years of service with the Town. Membership of the Retiree Health Plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

	Membership
Retirees receiving benefits	8
Active plan members	72
	80

Total OPEB Liability

The Town's total OPEB liability of \$2,676,646 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Prior discount rate	3.54%
Discount rate	3.65%
Healthcare cost trend rates	
Pre-Medicare medical and prescription drug	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Dental	3.50%

The discount rate is based on the yield of the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer

Changes in the Total OPEB Liability

	2024
Changes for the year	
Service cost	\$ 169,207
Interest	97,469
Difference between expected and actual	(180,654)
Changes in assumptions or other inputs	61,763
Net benefit payments and implicit subsidy credit	(109,641)
Net changes	38,144
Balance, beginning	2,638,502
Balance, ending	\$ 2,676,646

Mortality rates were based on the SOA Pub-2010 mortality tables with Scale MP-2019 improvements until 2025.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 2011 through December 2015.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	Discount Rate Sensitivity		
	Discount Rate		
	(2.65%)	(3.65%)	(4.65%)
Total OPEB liability	\$ 3,017,601	\$ 2,676,646	\$ 2,378,335

Sensitivity to the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Health Care Cost Trend Rate Sensitivity		
	Discount Rate		
	1% Decrease	(3.65%)	1% Increase
Total OPEB liability	\$ 2,302,444	\$ 2,676,646	\$ 3,133,619

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Town recognized OPEB expense of \$275,992. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 127,511	\$ 163,593
Changes of assumptions	452,615	431,165
Total	\$ 580,126	\$ 594,758

Because the plan's measurement date is the same as the Town's fiscal year end, there are no deferred outflows of resources related to benefit payments and administrative expenses made subsequent to the measurement date. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 4,326
2025	8,806
2026	17,650
2027	21,329
2028	21,329
Thereafter	(88,072)
	\$ (14,632)

e. Other Employment Benefits

The Town has elected to provide death benefits to employees 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 months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of 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 upon 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.

2. Long-Term Obligations

A. Direct Placement - Installment Purchases

The Town has entered into the following direct placement contracts:

Serviced by the General Fund:

2.97% note payable in annual installments of \$149,200 including interest; final payment due June 2029; secured by real estate	\$	683,877
2.50% note payable in annual installments of \$99,132, plus interest; final payment due February 2025, secured by real estate	\$	99,132
4.67% note payable in annual installments of \$11,400, plus interest; final payment due June 2025, secured by real estate	\$	11,400
4.20% note payable in annual installments of \$40,000, plus interest; final payment due April 2029, unsecured	\$	200,000
4.20% note payable in annual installments of \$22,667, plus interest; final payment due April 2027; unsecured	\$	68,000
4.20% note payable in annual installments of \$18,400, plus interest; final payment due April 2029; unsecured	\$	92,000
1.92% note payable in annual installments of \$94,117, including interest; final payment due January 2028; secured by vehicles and equipment	\$	359,067
1.92% note payable in annual installments of \$70,395, including interest; final payment due January 2028; secured by vehicles and equipment	\$	268,566
2.73% note payable in annual installments of \$85,714, plus interest; final payment due September 2025; secured by aerial ladder truck	\$	171,429
	<u>\$</u>	<u>1,953,471</u>

The future minimum payments of General Fund direct borrowing agreements are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 558,663	\$ 55,172	\$ 613,835
2026	454,887	42,753	497,640
2027	376,097	26,992	403,089
2028	360,528	16,489	377,017
2029	203,296	6,757	210,053
Total	<u>\$ 1,953,471</u>	<u>\$ 148,163</u>	<u>\$ 2,101,634</u>

Serviced by the Proprietary Fund

Electric

2.50% note payable in annual installments of \$98,112, including interest; final payment due June 2025; secured by real estate	\$	95,719
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Water

2.97% note payable in annual installments of \$154,632, including interest; final payment due August 2030, secured by real estate	\$	964,492
1.53% note payable in annual installments of \$24,383, including interest; final payment due May 2038, secured by real estate	\$	341,358

Sewer

4.67% note payable in annual installments of \$32,689, including interest; final payment due June 2025; secured by real estate	\$	31,231
1.66% note payable in annual installments of \$114,889, with final installment of \$115,842 including interest; final payment due May 2038, unsecured	\$	1,485,697
0% note payable in annual installments of \$161,152, with final installment of \$161,152; final payment due May 2041, unsecured	\$	2,347,311
2.97% note payable in annual installments of \$74,506, including interest; final payment due June 2029, secured by real estate	\$	341,510
4.20% note payable in annual installments of \$30,000, plus interest; final payment due April 2029, secured by real estate	\$	150,000
	<u>\$</u>	<u>5,757,318</u>

The future minimum payments of Proprietary Funds direct borrowing agreements are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 616,034	\$ 78,823	\$ 694,857
2026	496,130	65,900	562,030
2027	501,952	56,658	558,611
2028	507,948	47,244	555,191
2029	514,121	37,651	551,772
2030-2034	1,646,653	87,066	1,733,720
2035-2039	1,196,930	20,165	1,217,095
2040-2041	277,550	-	277,550
Total	<u>\$ 5,757,318</u>	<u>\$ 393,508</u>	<u>\$ 6,150,826</u>

c. Changes in Long-Term Liabilities

The following changes occurred in liabilities reported in the Long-Term Debt:

	Beginning Balance	Increases	Decreases	Ending Balances	Current Portion
Governmental Activities:					
Notes payable	\$ 2,187,315	\$ 360,000	\$ 593,844	\$ 1,953,471	\$ 558,663
Compensated absences	484,629	123,485	240,160	367,954	55,000
OPEB liability	1,899,722	27,463	-	1,927,185	-
Total pension liability (LEOSSA)	477,176	222,220	-	699,396	-
Net pension liability (LGERS)	2,833,449	305,618	-	3,139,067	-
Total governmental activity long-term liabilities	<u>\$ 7,882,291</u>	<u>\$ 1,038,786</u>	<u>\$ 834,004</u>	<u>\$ 8,087,073</u>	<u>\$ 613,663</u>

Business-type activities:

<u>Electric Fund</u>					
Notes payable	\$ 280,211	\$ -	\$ 184,492	\$ 95,719	\$ 95,719
OPEB liability	395,775	5,722	-	401,497	-
Compensated absences	71,710	28,500	57,907	42,303	15,000
Net pension liability (LGERS)	436,214	63,670	-	499,884	-
Electric Fund long-term liabilities	<u>\$ 1,183,910</u>	<u>\$ 97,892</u>	<u>\$ 242,399</u>	<u>\$ 1,039,403</u>	<u>\$ 110,719</u>
<u>Water Fund</u>					
Notes payable	\$ 1,452,586	\$ -	\$ 146,736	\$ 1,305,850	\$ 150,370
OPEB liability	211,080	3,052	-	214,132	-
Compensated absences	10,462	5,600	4,650	11,412	5,000
Net pension liability (LGERS)	147,288	33,958	-	181,246	-
Water Fund long-term liabilities	<u>\$ 1,821,416</u>	<u>\$ 42,610</u>	<u>\$ 151,386</u>	<u>\$ 1,712,640</u>	<u>\$ 155,370</u>
<u>Sewer Fund</u>					
Notes payable	\$ 4,572,344	\$ 150,000	\$ 366,595	\$ 4,355,749	\$ 369,945
OPEB liability	105,540	1,526	-	107,066	-
Compensated absences	2,925	2,250	4,440	735	735
Net pension liability (LGERS)	81,591	16,979	-	98,570	-
Sewer Fund long-term liabilities	<u>\$ 4,762,400</u>	<u>\$ 170,755</u>	<u>\$ 371,035</u>	<u>\$ 4,562,120</u>	<u>\$ 370,680</u>
<u>Stormwater Fund</u>					
OPEB liability	\$ 26,385	\$ 381	\$ -	\$ 26,766	\$ -
Compensated absences	6,884	3,600	4,712	5,772	5,772
Net pension liability (LGERS)	33,555	4,245	-	37,800	-
Stormwater Fund long-term liabilities	<u>\$ 66,824</u>	<u>\$ 8,226</u>	<u>\$ 4,712</u>	<u>\$ 70,338</u>	<u>\$ 5,772</u>
Total Business-type activity long-term liabilities	<u>\$ 7,834,550</u>	<u>\$ 319,483</u>	<u>\$ 769,532</u>	<u>\$ 7,384,501</u>	<u>\$ 642,541</u>

Compensated absences for governmental activities have typically been liquidated in the General Fund. At June 30, 2024, the Town of Winterville, North Carolina had a legal debt margin of \$81,719,573.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2024, consist of the following:

Transfers - Fund	From	To	Purpose
Electric Fund	\$ 650,000	\$ -	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.
General Fund	-	650,000	
Sewer Fund	-	260,000	
Water Fund	260,000	-	
	<u>\$ 910,000</u>	<u>\$ 910,000</u>	
Expense Reimbursements - Fund	From	To	Purpose
Electric Fund	\$ 447,499	\$ -	- Expense reimbursement - Administrative and IT expenses
Water Fund	449,331	-	- Expense reimbursement - Administrative and IT expenses
Sewer Fund	477,067	-	- Expense reimbursement - Administrative and IT expenses
Stormwater Fund	136,809	-	- Expense reimbursement - Administrative and IT expenses
General Fund	-	1,384,606	Expense reimbursement - Administrative and IT expenses
Water Fund	-	18,600	Expense reimbursement - meter reading
Electric Fund	-	107,500	Expense reimbursement - meter reading
	<u>\$ 1,510,706</u>	<u>\$ 1,510,706</u>	

D. Fund Balance

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

Total fund balance- General Fund	\$	16,662,918
Less:		
Inventories		23,347
Stabilization by State Statute		1,348,965
Streets		572,730
Public Safety		194,228
Recreation		181,470
Housing		69,305
OPEB		125,000
Subsequent year's expenditures		<u>386,483</u>
Remaining Fund Balance	\$	<u>13,761,390</u>

The Town of Winterville has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The General Fund had encumbrances outstanding of \$0 at June 30, 2024.

E. Jointly Governed Organizations

The Town is a member of the Contentnea Metropolitan Sewerage District (District). The participating governments established the District to provide sewer service to each member's citizens. Each participating government appoints one member to the District's governing board. The Town's purchases of sewer services for the fiscal year ended June 30, 2024 amounted to \$1,483,633.

The Town is a member of the Mid-East Commission (Commission). The participating governments established the Commission to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Commission's governing board. The Town paid membership fees of \$3,434 to the Commission during the fiscal year ended June 30, 2024.

F. Summary Disclosures of Significant Contingencies

The Town and the members of the Town's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums which insurers remit to the State. The State passes these funds to the local board of the Firemen's Relief Fund. The funds are used to assist firefighters in various ways. During the fiscal year ended June 30, 2024, the Town reported no payments made through the Firemen's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2024. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the NC State Firefighter's Association. That report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

G. Claims, Judgements, and Contingent Liabilities

At June 30, 2024, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

H. Summary Disclosures of Significant Contingencies

Federal and State Assisted Programs

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

I. Subsequent Events

Management has evaluated subsequent events through October 11, 2024, the date on which the financial statements were available to be issued.

J. Prior Period Adjustment

The Town made a prior period adjustment in the proprietary funds of \$10,544,228 to record the net value of water fund, sewer fund, and storm water fund fixed assets that were received by housing developers.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Changes in Total OPEB Liability and Related Ratios for Other Post-Employment Benefits.
- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Governmental Employees' Retirement System
- Schedule of Contributions to Local Governmental Employees' Retirement System
- Schedule of Changes in Total Pension Liability for Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for Law Enforcement Officers' Special Separation Allowance



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

Local Government Employees' Retirement System

	<u>2024</u>	<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>
Town's proportion of the net pension liability (asset) (%)	0.05974%	0.06261%	0.06630%	0.07585%	0.06629%	0.06338%	0.05582%	0.06104%	0.05167%	-0.0526%
Town's proportion of the net pension liability (asset) (\$)	\$ 3,956,567	\$ 3,532,097	\$ 1,016,774	\$ 2,710,444	\$ 1,810,328	\$1,503,590	\$ 852,775	\$ 1,295,473	\$ 231,891	\$ (309,970)
Town's covered-employee payroll	\$ 4,664,195	\$ 4,315,947	\$ 4,395,534	\$ 4,522,411	\$ 4,010,702	\$ 3,361,774	\$ 3,310,692	\$ 3,139,861	\$ 2,917,373	\$ 2,777,072
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	84.83%	81.84%	23.13%	59.93%	45.14%	44.73%	25.76%	41.26%	7.95%	(11.16%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

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

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

Town of Winterville, North Carolina
Town of Winterville's Contributions
Required Supplementary Information
Last Ten Fiscal Years

Local Government Employees' Retirement System

	<u>2024</u>	<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>
Contractually required contribution	\$ 686,667	\$ 578,598	\$ 499,268	\$ 455,240	\$ 404,281	\$ 318,718	\$ 259,810	\$ 233,090	\$ 213,693	\$ 205,740
Contributions in relation to the contractually required contribution	686,667	578,598	499,268	455,240	404,281	318,718	259,810	233,090	213,693	205,740
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 5,208,273	\$ 4,664,195	\$ 4,315,947	\$ 4,395,534	\$ 4,522,411	\$ 4,010,702	\$ 3,361,774	\$ 3,310,692	\$ 3,139,861	\$ 2,917,373
Contributions as a percentage of covered-employee payroll	13.18%	12.41%	11.57%	10.36%	8.94%	7.95%	7.73%	7.04%	6.81%	7.05%

Town of Winterville, North Carolina
Statement of Net Position
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	477,176	534,730	497,338	341,970	287,987	469,135	451,356	455,255
Service Cost	38,374	42,852	48,066	31,728	25,789	23,264	20,521	23,410
Interest on the total pension liability	19,966	11,918	9,456	10,870	10,172	14,557	16,778	15,671
Differences between expected and actual experience in the measurement of the total pension liability	176,750	(12,180)	10,508	(11,346)	24,138	(190,519)	(14,777)	-
Changes of assumptions or other inputs	14,990	(90,088)	(15,907)	141,184	10,952	(11,478)	28,647	(10,381)
Benefit payments	(27,860)	(10,056)	(14,731)	(17,068)	(17,068)	(16,972)	(33,390)	(32,599)
Ending balance of the total pension liability	<u>\$ 699,396</u>	<u>\$ 477,176</u>	<u>\$ 534,730</u>	<u>\$ 497,338</u>	<u>\$ 341,970</u>	<u>\$ 287,987</u>	<u>\$ 469,135</u>	<u>\$ 451,356</u>

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

Town of Winterville, North Carolina
Statement of Net Position
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2024

	2024		2023		2022		2021		2020		2019		2018		2017
Total pension liability	\$ 699,396	\$	477,176	\$	534,730	\$	497,338	\$	341,970	\$	287,987	\$	469,135	\$	451,356
Covered payroll	1,427,738		1,187,057		1,249,193		1,262,427		1,086,090		957,694		884,010		945,108
Total pension liability as a percentage of covered payroll	48.99%		40.20%		42.81%		39.40%		31.49%		30.07%		53.07%		47.76%

Notes to the schedules:

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

Town of Winterville, North Carolina
Schedule of Changes in the Net OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2024*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 169,207	\$ 222,086	\$ 220,084	\$ 162,824	\$ 83,481	\$ 86,037	\$ 92,496
Interest	97,469	66,870	57,933	73,952	64,715	58,643	50,267
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(180,654)	17,782	16,354	(4,749)	202,846	259	705
Changes of assumptions	61,763	(501,602)	278,606	326,412	18,073	(54,650)	(92,201)
Benefit payments	(109,641)	(80,357)	(120,500)	(93,725)	(71,731)	(76,183)	(71,904)
Net change in total OPEB liability	<u>38,144</u>	<u>(275,221)</u>	<u>452,477</u>	<u>464,714</u>	<u>297,384</u>	<u>14,106</u>	<u>(20,637)</u>
Total OPEB liability - beginning	<u>2,638,502</u>	<u>2,913,723</u>	<u>2,461,246</u>	<u>1,996,532</u>	<u>1,699,148</u>	<u>1,685,042</u>	<u>1,705,679</u>
Total OPEB liability - ending	<u><u>\$ 2,676,646</u></u>	<u><u>\$ 2,638,502</u></u>	<u><u>\$ 2,913,723</u></u>	<u><u>\$ 2,461,246</u></u>	<u><u>\$ 1,996,532</u></u>	<u><u>\$ 1,699,148</u></u>	<u><u>\$ 1,685,042</u></u>
Town's covered-employee payroll	\$ 4,251,453	\$ 3,921,243	\$ 3,921,243	\$ 3,975,806	\$ 3,975,806	\$ 2,700,955	\$ 2,700,955
Town's OPEB liability as a percentage of its covered-employee payroll	62.96%	67.29%	74.31%	61.91%	50.22%	62.91%	62.39%

Notes to Schedule:

Changes of assumptions: The discount rate as of June 30, 2023 was 3.54% and it increased to 3.65% as of June 30, 2024.

INDIVIDUAL FUND BUDGETARY SCHEDULES



MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Safe Routes for School

This fund was established to house the grants for the sidewalk construction projects.



Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes		\$ 4,944,532	
Interest		21,569	
Total revenue	<u>\$ 4,850,260</u>	<u>4,966,101</u>	<u>\$ 115,841</u>
Other taxes and licenses			
Vehicle tag fees		27,198	
Total	<u>25,807</u>	<u>27,198</u>	<u>1,391</u>
Unrestricted intergovernmental:			
Local option sales tax		3,572,090	
Payment in lieu of taxes - external sources		2,547	
Utilities and telecommunication sales tax		408,224	
Beer and wine tax		52,284	
Total	<u>4,045,352</u>	<u>4,035,145</u>	<u>(10,207)</u>
Restricted intergovernmental:			
Powell bill allocation		346,022	
Pitt County Schools grant		169,455	
Unauthorized substance tax		436	
DOT reimbursement		3,660	
Miscellaneous grant revenue		10,000	
Asset forfeiture		163,311	
Solid waste disposal tax		8,374	
Total	<u>697,584</u>	<u>701,258</u>	<u>3,674</u>
Permits and fees:			
Business registration fees		500	
Planning and zoning fees		23,696	
Total	<u>23,000</u>	<u>24,196</u>	<u>1,196</u>
Sales and services:			
Solid waste fees		667,260	
Community building/Rescue rent		9,975	
Fire inspections		11,391	
Building inspections		190,462	
Police event pay		34,680	
Greenville Utilities Commision		24,069	
User access fee		7,865	
Recreation		108,761	
Cemetery		9,100	
Total	<u>1,076,298</u>	<u>1,063,563</u>	<u>(12,735)</u>
Investment earnings	<u>313,577</u>	<u>715,026</u>	<u>401,449</u>

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Miscellaneous			
Rescue contribution		194,154	
Other		146,381	
Total	236,794	340,535	103,741
Total Revenues	11,268,672	11,873,022	604,350
Expenditures:			
General government:			
Governing Body:			
Salaries and benefits		71,984	
Other operating expenses		57,719	
Total	143,918	129,703	14,215
Administration:			
Salaries and employee benefits		623,812	
Other operating expenditures		1,020,732	
Capital outlay		32,137	
Reimbursement - proprietary funds		(927,686)	
Total	896,010	748,995	147,015
Finance:			
Salaries and employee benefits		655,287	
Other operating expenditures		179,066	
Total	929,083	834,353	94,730
Inspections:			
Salaries and employee benefits		302,247	
Other operating expenditures		41,416	
Total	410,339	343,663	66,676
Human Resources:			
Other operating expenditures		201,579	
Total	281,286	201,579	79,707
Information Technology:			
Other operating expenditures		368,936	
Reimbursement - proprietary funds		(207,691)	
Total	431,625	161,245	270,380

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Planning:			
Salaries and employee benefits		145,004	
Maintenance and repairs		137	
Other operating expenditures		6,285	
Total	<u>281,917</u>	<u>151,426</u>	<u>130,491</u>
Total general government	<u>3,374,178</u>	<u>2,570,964</u>	<u>803,214</u>
Public safety			
Police:			
Salaries and employee benefits		2,042,644	
Maintenance and repairs		53,697	
Other operating expenditures		244,422	
Noncapitalized equipment < \$5000		8,500	
Capital outlay		93,732	
Total	<u>3,142,561</u>	<u>2,442,995</u>	<u>699,566</u>
Public Safety (continued):			
Animal control:			
Other operating expenditures		1,089	
Total	<u>12,200</u>	<u>1,089</u>	<u>11,111</u>
Fire:			
Salaries and employee benefits		1,463,322	
Maintenance and repairs		75,643	
Other operating expenditures		103,825	
Noncapitalized equipment < \$5000		60,781	
Capital outlay		24,853	
Total	<u>2,143,906</u>	<u>1,728,424</u>	<u>415,482</u>
Rescue:			
Salaries and employee benefits		340,091	
Total	<u>347,958</u>	<u>340,091</u>	<u>7,867</u>
Total public safety	<u>5,646,625</u>	<u>4,512,599</u>	<u>1,134,026</u>
Transportation:			
Salaries and employee benefits		682,538	
Maintenance and repairs		49,976	
Other operating expenditures		102,981	
Powell Bill		603,024	
Contracted services		28,403	
Capital outlay		284,114	
Reimbursement - proprietary funds		(152,307)	
Total transportation	<u>2,277,710</u>	<u>1,598,729</u>	<u>678,981</u>

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Environmental Protection:			
Sanitation:			
Other operating expenditures		699,107	
Total environmental protection	733,293	699,107	34,186
Culture and recreation:			
Salaries and employee benefits		469,670	
Maintenance and repairs		30,631	
Other operating expenditures		238,733	
Noncapitalized equipment <\$5000		7,527	
Capital outlay		23,127	
Total culture and recreation	1,105,195	769,688	335,507
Public Buildings:			
Maintenance and repairs		116,741	
Capital outlay		383,873	
Other operating repairs		446,807	
Reimbursement - proprietary funds		(96,922)	
Total public buildings	1,125,067	850,499	274,568
Debt service:			
Principal retirement		593,844	
Interest		56,530	
Total debt service	650,379	650,374	5
Total expenditures	14,912,447	11,651,960	3,260,487
Revenue over (under) expenditures	(3,643,775)	221,062	3,864,837
Other financing sources/(uses):			
Transfers from other funds		650,000	
Proceeds from issuance of debt		360,000	
Total other financing sources (uses)	1,009,400	1,010,000	600
Fund balance, appropriated	2,634,375	-	(2,634,375)
Net change in fund balance	\$ -	1,231,062	\$ 1,231,062
Fund balances, beginning		15,431,856	
Fund balances, ending		\$ 16,662,918	

Town of Winterville, North Carolina
Capital Projects Fund - Safe Routes for School
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 133,988	\$ -	\$ -	\$ -	\$ (133,988)
Contributions	34,000	-	33,497	33,497	(503)
Total revenues	<u>167,988</u>	<u>-</u>	<u>33,497</u>	<u>33,497</u>	<u>(134,491)</u>
Expenditures:					
Operations, construction, admin	167,988	-	3,985	3,985	164,003
Total expenditures:	<u>167,988</u>	<u>-</u>	<u>3,985</u>	<u>3,985</u>	<u>164,003</u>
Other financing sources:					
Transfers from (to) other funds	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues under expenditures	-	-	29,512	29,512	29,512
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>29,512</u>	<u>\$ 29,512</u>	<u>\$ 29,512</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 29,512</u>		



ENTERPRISE FUNDS

The Enterprise Funds are established to account for services provided to the general public and the related costs of such services. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for Enterprise Funds, the Town does adopt a balanced budget for these funds.

Electric Fund – The Electric Fund accounts for the Town’s electric operations.

Water Fund – The Water Fund accounts for the Town’s water operations.

Sewer Fund – The Sewer Fund accounts for the Town’s sewer operations.

Sewer Rehabilitation Capital Project Fund 2019

Sewer Rehabilitation Capital Project Fund 2020

Stormwater Fund – The Stormwater Fund accounts for the Town’s stormwater operations.

Stormwater Capital Project Fund



Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
Electric Fund
From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating income:			
Sale of electricity		\$ 7,883,934	
Connection fees		17,490	
Service Charges		75,623	
Miscellaneous revenue		4,318	
Total operating revenues	<u>\$ 7,746,920</u>	<u>7,981,365</u>	<u>\$ 234,445</u>
Non-operating revenue:			
Investment earnings		288,999	
Total non-operating revenue	<u>358,580</u>	<u>288,999</u>	<u>(69,581)</u>
Total Revenues	<u>8,105,500</u>	<u>8,270,364</u>	<u>164,864</u>
Expenditures:			
Operating			
Electrical power purchases		3,651,526	
Salaries and employee benefits		1,103,437	
Supplies		19,063	
Repairs and maintenance		48,387	
Contracted services		104,390	
Sales tax		476,818	
Other departmental expenses		91,344	
Expense reimbursement to general fund Expense		447,499	
reimbursement from water and sewer fund		(107,500)	
Noncapitalized equipment < \$5,000		112,695	
Total operating expenditures	<u>7,133,267</u>	<u>5,947,659</u>	<u>1,185,608</u>
Debt service:			
Principal		184,492	
Interest		4,488	
Total debt service	<u>196,227</u>	<u>188,980</u>	<u>7,247</u>
Capital outlay			
Capital outlay		776,830	
Total capital outlay	<u>1,512,719</u>	<u>776,830</u>	<u>735,889</u>
Total expenditures	<u>8,842,213</u>	<u>6,913,469</u>	<u>1,928,744</u>
Revenues over expenditures	(736,713)	1,356,895	2,093,608
Other financing sources (uses):			
Transfers from (to) other funds		(650,000)	
Total other financing sources (uses)	<u>(650,000)</u>	<u>(650,000)</u>	<u>-</u>
Fund balance appropriated	<u>1,386,713</u>	<u>-</u>	<u>(1,386,713)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>706,895</u>	<u>\$ 706,895</u>
Reconciling items:			
Capital Outlay		776,830	
Depreciation		(449,071)	
Principal retirement		184,492	
(Increase) decrease in accrued vacation pay		29,407	
(Increase) decrease in net pension liability		(63,670)	
Increase (decrease) in deferred outflows of resources - pension		11,662	
(Increase) decrease in deferred inflows of resources - pension		3,167	
(Increase) decrease in other postemployment benefits		(5,722)	
Increase (decrease) in deferred outflows of resources - OPEB		(11,263)	
(Increase) decrease in deferred inflows of resources - OPEB		(13,683)	
Total reconciling items		<u>462,149</u>	
Change in net position		<u>\$ 1,169,044</u>	

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
Water Fund
From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating income:			
Water sales		\$ 1,619,879	
Tapping fees		28,220	
System development fees		54,465	
Other operating revenues		39,157	
Total operating revenues	<u>\$ 1,680,488</u>	<u>1,741,721</u>	<u>\$ 61,233</u>
Non-operating revenue:			
Investment earnings		84,592	
Gain of gift of assets		441,106	
Total non-operating revenue	<u>104,945</u>	<u>525,698</u>	<u>420,753</u>
Total Revenues	<u>1,785,433</u>	<u>2,267,419</u>	<u>481,986</u>
Expenditures:			
Operating			
Salaries and employee benefits		360,625	
Purchases for resale		428,048	
Supplies		29,954	
Repairs and maintenance		26,459	
Contracted services		46,969	
Other departmental expenses		74,267	
Expense reimbursement to general fund		395,581	
Expense reimbursement to electric fund		53,750	
Expense reimbursement to sewer fund		(18,600)	
Total operating expenditures	<u>1,684,323</u>	<u>1,397,053</u>	<u>287,270</u>
Debt service:			
Principal		146,736	
Interest		34,696	
Total debt service	<u>184,612</u>	<u>181,432</u>	<u>3,180</u>
Capital outlay:			
Capital outlay		269,934	
Total capital outlay	<u>280,343</u>	<u>269,934</u>	<u>10,409</u>
Total expenditures	<u>2,149,278</u>	<u>1,848,419</u>	<u>300,859</u>
Revenues over expenditures	(363,845)	419,000	782,845

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
Water Fund
From Inception and for the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfers from (to) other funds		(260,000)	
Total other financing sources (uses)	(324,000)	(260,000)	64,000
 Fund balance appropriated	687,845	-	(687,845)
 Revenues and appropriated fund balance over (under) expenditures	\$ -	159,000	\$ 159,000
 Reconciling items:			
Capital Outlay		269,934	
Depreciation		(223,462)	
Principal retirement		146,736	
(Increase) decrease in accrued vacation pay		(950)	
(Increase) decrease in net pension liability		(33,958)	
Increase (decrease) in deferred outflows of resources - pension		6,220	
(Increase) decrease in deferred inflows of resources - pension		1,689	
(Increase) decrease in other postemployment benefits		(3,052)	
Increase (decrease) in deferred outflows of resources - OPEB		(6,007)	
(Increase) decrease in deferred inflows of resources - OPEB		(7,298)	
Total reconciling items		149,852	
Change in net position		\$ 308,852	

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
Sewer Fund
From Inception and for the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating income:			
Sewer fees		\$ 2,648,884	
Tapping fees		2,000	
System development fees		46,173	
Total operating revenues	\$ 2,601,727	2,697,057	\$ 95,330
Non-operating revenue:			
Investment earnings		51,230	
Sale of capital assets		10,744	
Gain of gift of assets		716,071	
Total non-operating revenue	274,460	778,045	503,585
Total Revenues	2,876,187	3,475,102	598,915
Expenditures:			
Operating			
Salaries and employee benefits		187,388	
Repairs and maintenance		101,588	
Contracted services		43,262	
CMSD expense		1,483,663	
Other departmental expenses		124,622	
Expense reimbursement to general fund		404,717	
Expense reimbursement to water fund		18,600	
Expense reimbursement to electric fund		53,750	
Total operating expenditures	2,665,581	2,417,590	247,991
Debt service:			
Principal		366,595	
Interest		42,157	
Total debt service	412,442	408,752	3,690
Capital outlay:			
Capital outlay		352,624	
Total capital outlay	355,262	352,624	2,638
Total expenditures	3,433,285	3,178,966	254,319
Revenues over expenditures	(557,098)	296,136	853,234
Other financing sources (uses):			
Transfer		260,000	
Installment loan proceeds		150,000	
Total other financings sources (uses)	557,098	410,000	(147,098)
Net change in fund balace	\$ -	706,136	\$ 706,136
Reconciling items:			
Capital Outlay		352,624	
Depreciation		(490,674)	
Installment purchase proceeds		(150,000)	
Principal retirement		366,595	
Capital contributions - capital project funds		27,292	
(Increase) decrease in accrued vacation pay		2,190	
(Increase) decrease in net pension liability		(16,979)	
Increase (decrease) in deferred outflows of resources - pension		3,110	
(Increase) decrease in deferred inflows of resources - pension		844	
(Increase) decrease in other postemployment benefits		(1,526)	
Increase (decrease) in deferred outflows of resources - OPEB		(3,004)	
(Increase) decrease in deferred inflows of resources - OPEB		(3,649)	
Total reconciling items		86,823	
Change in net position		\$ 792,959	

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
Capital Projects Fund- Sewer Rehabilitation 2019 Capital Project Fund
From Inception and for the Fiscal Year Ended June 30, 2024

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
Revenues:					
NC DEQ grant	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
Contributions	-	-	27,292	27,292	27,292
Total revenues	-	500,000	27,292	527,292	527,292
Expenditures:					
Capital outlay:					
Construction	3,128,647	2,781,282	-	2,781,282	347,365
Engineering	382,000	586,335	-	586,335	(204,335)
Contracted services	139,460	14,992	-	14,992	124,468
Contingency	147,382	-	-	-	147,382
Total capital outlay	3,797,489	3,382,609	-	3,382,609	414,880
Revenues over (under) expenditures	(3,797,489)	(2,882,609)	27,292	(2,855,317)	942,172
Other financing sources:					
Transfers from (to) other funds	74,460	70,700	-	70,700	3,760
Debt proceeds	3,723,029	2,784,617	-	2,784,617	938,412
Total other financing sources	3,797,489	2,855,317	-	2,855,317	942,172
Expenditures (over) under other financing sources	\$ -	\$ (27,292)	\$ 27,292	\$ -	\$ -

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
Capital Projects Fund- Sewer Rehabilitation 2020 Capital Project Fund
From Inception and for the Fiscal Year Ended June 30, 2024

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
Revenues:					
Clean Water State Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Expenditures:					
Capital outlay:					
Construction	1,114,600	-	22,741	22,741	1,091,859
Engineering	1,074,100	452,782	74,370	527,152	546,948
Contingency	134,000	-	-	-	134,000
Total capital outlay	<u>2,322,700</u>	<u>452,782</u>	<u>97,111</u>	<u>549,893</u>	<u>1,772,807</u>
Revenues over (under) expenditures	<u>(1,822,700)</u>	<u>(452,782)</u>	<u>(97,111)</u>	<u>(549,893)</u>	<u>1,272,807</u>
Other financing sources:					
Transfers from (to) other funds	39,500	-	-	-	(39,500)
Debt proceeds	1,783,200	-	-	-	(1,783,200)
Total other financing sources	<u>1,822,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,822,700)</u>
Expenditures (over) under other financing sources	<u>\$ -</u>	<u>\$ (452,782)</u>	<u>\$ (97,111)</u>	<u>\$ (549,893)</u>	<u>\$ (549,893)</u>

Town of Winterville, North Carolina
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
Stormwater Fund
From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating income:			
Stormwater fees		\$ 526,593	
Total charges for services	<u>\$ 525,550</u>	<u>526,593</u>	<u>\$ 1,043</u>
Non-operating revenue:			
Investment earnings		58,784	
Federal and state grants		42,775	
Gain of gift of assets		374,576	
Total non-operating revenue	<u>490,630</u>	<u>476,135</u>	<u>(14,495)</u>
Total Revenues	<u>1,016,180</u>	<u>1,002,728</u>	<u>(13,452)</u>
Expenditures:			
Operating			
Salaries and employee benefits		116,472	
Contracted services		74,107	
Supplies		10,665	
Repairs and maintenance		145,958	
Drainage district		12,411	
Expense reimbursement to general fund		136,809	
Total operating expenditures	<u>950,412</u>	<u>496,422</u>	<u>453,990</u>
Capital outlay:			
Capital outlay		40,396	
Total capital outlay	<u>79,000</u>	<u>40,396</u>	<u>38,604</u>
Total expenditures	<u>1,029,412</u>	<u>536,818</u>	<u>492,594</u>
Revenues over expenditures	(13,232)	465,910	479,142
Fund balance appropriated	<u>13,232</u>	<u>-</u>	<u>(13,232)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	465,910	<u>\$ 465,910</u>
Reconciling items:			
Capital Outlay		40,396	
Depreciation		(83,186)	
(Increase) decrease in accrued vacation pay		1,112	
(Increase) decrease in net pension liability		(4,245)	
Increase (decrease) in deferred outflows of resources - pension		777	
(Increase) decrease in deferred inflows of resources - pension		211	
(Increase) decrease in other postemployment benefits		(381)	
Increase (decrease) in deferred outflows of resources - OPEB		(751)	
(Increase) decrease in deferred inflows of resources - OPEB		(912)	
Total reconciling items		<u>(46,979)</u>	
Change in net position		<u>\$ 418,931</u>	

Town of Winterville, North Carolina
Capital Projects Fund - Storm Water Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Capital outlay:					
Construction	3,164,984	-	58,206	58,206	3,106,778
Total expenditures:	<u>3,164,984</u>	<u>-</u>	<u>58,206</u>	<u>58,206</u>	<u>3,106,778</u>
Other financing sources:					
Transfers from (to) other funds	3,164,984	3,164,984	-	3,164,984	-
Total other financing sources	<u>3,164,984</u>	<u>3,164,984</u>	<u>-</u>	<u>3,164,984</u>	<u>-</u>
Revenues under expenditures	-	-	(58,206)	3,106,778	
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,164,984</u>	<u>\$ (58,206)</u>	<u>\$ 3,106,778</u>	<u>\$ 3,106,778</u>



OTHER FINANCIAL INFORMATION

To provide additional insight into the Town's operations, both past and present, the following additional financial information is included in subsequent sections of the comprehensive report:

Other Schedules

Additional financial data includes information on property tax collections and uncollected property taxes.

Statistical Information

The statistical section includes ten year comparison data (when available) on various aspects of Town finances as well as other information to enhance understanding of Town operations.

Compliance Section

The compliance section includes auditors' reports on federal compliance matters.



OTHER SCHEDULES

This section contains additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy



Town of Winterville, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2024

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding registered motor vehicles	Registered motor vehicles
Original levy:					
Property taxed at current rate	\$ 1,047,221,684	0.475	\$ 4,974,303	\$ 4,218,518	\$ 755,785
Discoveries	635,368	0.475	3,018	3,018	-
Releases	<u>(1,944,000)</u>	0.475	<u>(9,234)</u>	<u>(9,234)</u>	<u>-</u>
Net levy	<u>\$ 1,045,913,053</u>		4,968,087	4,212,302	755,785
Uncollected taxes at June 30, 2024			<u>(29,156)</u>	<u>(29,156)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 4,938,931</u>	<u>\$ 4,183,146</u>	<u>\$ 755,785</u>
Current levy collection percentage			<u>99.41%</u>	<u>99.31%</u>	<u>100.00%</u>

STATISTICAL SECTION

This part of the Town of Winterville's Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the Town's overall financial health.

CONTENTS:

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.



Town of Winterville, North Carolina
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
Table 1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 18,875,360	\$ 18,986,506	\$ 19,828,145	\$ 20,129,722	\$ 19,720,000	\$ 21,355,963	\$ 21,432,114	\$ 21,945,842	\$ 22,975,773	\$ 21,816,098
Restricted	1,834,409	2,617,740	1,918,013	3,424,408	3,717,133	1,533,674	1,491,884	1,970,527	2,492,439	2,297,393
Unrestricted	4,634,264	4,406,677	5,427,561	3,629,707	3,498,581	4,645,350	6,577,537	8,072,204	9,053,974	10,166,933
Total governmental activities net position	\$ 25,344,033	\$ 26,010,923	\$ 27,173,719	\$ 27,183,837	\$ 26,935,714	\$ 27,534,987	\$ 29,501,535	\$ 31,988,573	\$ 34,522,186	\$ 34,280,424
Business-type activities										
Net investment in capital assets	\$ 5,365,711	\$ 5,294,157	\$ 5,559,549	\$ 5,680,189	\$ 8,097,786	\$ 8,710,776	\$ 9,295,708	\$ 10,890,001	\$ 10,146,580	\$ 23,021,982
Restricted	-	-	-	-	-	-	-	-	17,690	-
Unrestricted	7,890,408	8,474,991	9,160,180	9,717,672	9,078,339	10,461,778	11,736,890	10,358,524	15,296,899	15,673,201
Total Business-type activities net position	\$ 13,256,119	\$ 13,769,148	\$ 14,719,729	\$ 15,397,861	\$ 17,176,125	\$ 19,172,554	\$ 21,032,598	\$ 21,248,525	\$ 25,461,169	\$ 38,695,183
Primary government										
Net investment in capital assets	\$ 24,241,071	\$ 24,280,663	\$ 25,387,694	\$ 25,809,911	\$ 27,817,786	\$ 30,066,739	\$ 30,727,822	\$ 32,835,843	\$ 33,122,353	\$ 44,838,080
Restricted	1,834,409	2,617,740	1,918,013	3,424,408	3,717,133	1,533,674	1,491,884	1,970,527	2,510,129	2,297,393
Unrestricted	12,524,672	12,881,668	14,587,741	13,347,379	12,576,920	15,107,128	18,314,427	18,430,728	24,350,873	25,840,134
Total primary government net position	\$ 38,600,152	\$ 39,780,071	\$ 41,893,448	\$ 42,581,698	\$ 44,111,839	\$ 46,707,541	\$ 50,534,133	\$ 53,237,098	\$ 59,983,355	\$ 72,975,607

Town of Winterville, North Carolina
CHANGE IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 2,112,412	\$ 2,239,443	\$ 2,166,843	\$ 2,103,977	\$ 2,469,166	\$ 2,518,487	\$ 2,487,844	\$ 2,051,515	\$ 2,331,287	\$ 3,128,470
Public Safety	1,955,444	2,238,766	2,342,745	2,570,270	3,500,759	4,544,537	4,469,278	3,901,809	4,681,326	4,939,180
Transportation	1,262,024	1,433,435	1,359,646	1,703,364	1,839,469	1,583,152	1,556,265	1,559,968	1,915,674	2,575,684
Environmental protection	449,332	460,797	479,991	496,618	515,105	532,194	549,593	578,678	663,415	676,573
Cultural and recreational	852,262	806,502	885,272	955,743	1,204,419	1,081,788	1,048,594	1,183,263	1,260,849	921,771
Public Buildings	-	-	-	-	-	-	-	-	-	466,626
Economic and physical development	-	32,400	32,400	25,895	20,000	-	-	-	-	-
Interest on long-term debt	175,858	114,018	99,326	87,402	100,278	91,181	84,760	80,641	63,137	52,160
Reimbursements from business type activities	(59,696)	-	-	-	-	-	-	-	-	-
Total governmental activities expense	\$ 6,747,636	\$ 7,325,361	\$ 7,366,223	\$ 7,943,269	\$ 9,649,196	\$ 10,351,339	\$ 10,196,334	\$ 9,355,874	\$ 10,915,688	\$ 12,760,464
Business-type Activities:										
Electric	\$ 5,931,117	\$ 5,839,943	\$ 5,940,771	\$ 6,425,988	\$ 6,179,886	\$ 5,423,306	\$ 5,511,463	\$ 6,574,150	\$ 7,898,819	\$ 6,451,320
Water	992,504	1,186,795	1,245,965	1,427,037	1,440,407	1,494,978	1,436,910	1,489,090	1,574,856	1,698,567
Sewer	1,921,325	1,962,456	1,917,535	2,034,642	1,990,784	2,147,918	2,126,076	2,184,191	2,369,981	2,969,436
Stormwater	149,477	142,812	177,186	104,125	207,907	240,969	308,776	311,189	363,302	583,797
Total business-type activities expense	\$ 8,994,423	\$ 9,132,006	\$ 9,281,457	\$ 9,991,792	\$ 9,818,984	\$ 9,307,171	\$ 9,383,225	\$ 10,558,620	\$ 12,206,958	\$ 11,703,120
Total primary government expenses	\$ 15,742,059	\$ 16,457,367	\$ 16,647,680	\$ 17,935,061	\$ 19,468,180	\$ 19,658,510	\$ 19,579,559	\$ 19,914,494	\$ 23,122,646	\$ 24,463,584
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 173,351	\$ 198,716	\$ 206,482	\$ 186,823	\$ 196,356	\$ 196,725	\$ 196,063	\$ 235,915	\$ 351,201	\$ 51,394
Public Safety	19,473	22,975	30,445	81,915	92,208	77,969	88,235	81,421	59,281	199,955
Transportation	6,914	3,660	3,660	-	-	-	-	-	-	-
Environmental protection	500,833	508,020	521,196	564,434	579,839	584,810	575,718	584,933	590,509	617,498
Cultural and recreational	147,350	148,514	160,042	132,002	128,206	105,542	63,414	183,414	128,497	135,701
Public Buildings	-	-	-	-	-	-	-	-	-	190,462
Operating grants and contributions										
General government	-	5,000	28,425	308	2,878	2,274	67,175	-	-	10,000
Public Safety	3,850	6,923	43,138	147,146	249,594	890,387	734,876	397,094	3,513,771	207,048
Transportation	266,981	266,040	261,061	262,732	307,271	326,125	317,180	384,299	312,714	346,022
Environmental protection	6,201	5,979	6,306	6,224	7,017	7,243	7,256	6,056	2,112	-
Cultural and recreational	-	-	-	-	5,069	26,431	3,500	-	-	-
Capital grants and contributions										
Public Safety	-	-	-	-	-	-	-	-	-	33,497
Transportation	-	-	-	384,852	484,353	1,135,981	1,661,369	751,843	1,690,891	-
Total governmental activities program revenues	\$ 1,124,953	\$ 1,165,827	\$ 1,260,755	\$ 1,766,436	\$ 2,052,791	\$ 3,353,487	\$ 3,714,786	\$ 2,624,975	\$ 6,648,976	\$ 1,791,577
Charges for services										
Electric Fund	\$ 6,686,499	\$ 6,477,361	\$ 6,796,158	\$ 7,265,794	\$ 7,110,807	\$ 6,572,224	\$ 7,095,359	\$ 6,884,204	\$ 8,395,506	\$ 7,981,365

Town of Winterville, North Carolina
CHANGE IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water Fund	1,239,032	1,237,389	1,469,305	1,509,879	1,504,858	1,514,973	1,555,607	1,525,942	1,619,149	1,741,721
Sewer Fund	1,897,528	1,893,949	1,938,108	2,008,368	2,198,603	2,193,883	2,507,015	2,458,596	2,584,841	2,697,058
Stormwater Fund	176,261	172,337	191,172	221,941	492,572	494,246	509,381	506,375	515,299	526,593
Operating grants and contributions	29,230	93,050	96,908	58,365	137,259	22,072	48,859	23,483	-	-
Capital grants and contributions	-	-	-	87,200	360,839	888,066	170,044	-	515,000	42,775
Total business-type activities program revenues	\$ 10,028,550	\$ 9,874,086	\$ 10,491,651	\$ 11,151,547	\$ 11,804,938	\$ 11,685,464	\$ 11,886,265	\$ 11,398,600	\$ 13,629,795	\$ 12,989,512
Total primary government program revenues	\$ 11,153,503	\$ 11,039,913	\$ 11,752,406	\$ 12,917,983	\$ 13,857,729	\$ 15,038,951	\$ 15,601,051	\$ 14,023,575	\$ 20,278,771	\$ 14,781,089
Net Revenue (Expense):										
Governmental activities	\$ (5,622,683)	\$ (6,159,534)	\$ (6,105,468)	\$ (6,176,833)	\$ (7,596,405)	\$ (6,997,852)	\$ (6,481,548)	\$ (6,730,899)	\$ (4,266,712)	\$ (10,968,887)
Business-type activities	1,034,127	742,080	1,210,194	1,159,755	1,985,954	2,378,293	2,503,040	839,980	1,422,837	1,286,392
Total primary government net expense	\$ (4,588,556)	\$ (5,417,454)	\$ (4,895,274)	\$ (5,017,078)	\$ (5,610,451)	\$ (4,619,559)	\$ (3,978,508)	\$ (5,890,919)	\$ (2,843,875)	\$ (9,682,495)
General revenues and other changes in net position										
Governmental activities:										
Property Taxes	\$ 3,553,055	\$ 3,633,653	\$ 3,722,789	\$ 3,788,508	\$ 3,897,507	\$ 4,068,445	\$ 4,549,911	\$ 4,688,000	\$ 4,825,100	\$ 4,986,419
Local option sales tax	2,287,726	2,306,162	2,400,590	2,029,698	2,176,597	2,251,108	2,609,407	3,234,632	3,496,242	3,572,090
Grants and contributions not restricted to specific programs	-	-	-	415,169	420,334	404,567	394,549	411,585	433,784	-
Other taxes and licenses	24,107	30,878	30,821	23,568	25,458	25,251	26,961	26,535	27,030	463,055
Investment Earnings	9,623	9,816	9,160	52,769	166,081	102,824	643	14,519	341,481	715,026
Miscellaneous	503,895	630,471	1,040,275	247,608	286,727	238,474	216,625	192,666	191,672	340,535
Transfers	188,552	215,444	290,000	311,000	375,578	506,456	650,000	650,000	(2,514,984)	650,000
Total governmental activities	\$ 6,566,958	\$ 6,826,424	\$ 7,493,635	\$ 6,868,320	\$ 7,348,282	\$ 7,597,125	\$ 8,448,096	\$ 9,217,937	\$ 6,800,325	\$ 10,727,125
Business-type activity:										
Investment earnings, net of market adjustment	\$ 7,108	\$ 8,801	\$ 10,607	\$ 52,377	\$ 167,888	\$ 124,592	\$ 7,004	\$ 11,197	\$ 260,073	\$ 483,605
Miscellaneous	-	-	-	-	-	-	-	14,750	14,750	1,569,789
Transfers	(188,552)	(215,444)	(290,000)	(311,000)	(375,578)	(506,456)	(650,000)	(650,000)	2,514,984	(650,000)
Total business-type activity	\$ (181,444)	\$ (206,643)	\$ (279,393)	\$ (258,623)	\$ (207,690)	\$ (381,864)	\$ (642,996)	\$ (624,053)	\$ 2,789,807	\$ 1,403,394
Total primary government	\$ 6,385,514	\$ 6,619,781	\$ 7,214,242	\$ 6,609,697	\$ 7,140,592	\$ 7,215,261	\$ 7,805,100	\$ 8,593,884	\$ 9,590,132	\$ 12,130,519
Change in net position										
Governmental activities	\$ 944,275	\$ 666,890	\$ 1,388,167	\$ 691,487	\$ (248,123)	\$ 599,273	\$ 1,966,548	\$ 2,487,038	\$ 2,533,613	\$ (241,762)
Business-type activities	852,683	535,437	930,801	901,132	1,778,264	1,996,429	1,860,044	215,927	4,212,644	2,689,786
Total primary government	\$ 1,796,958	\$ 1,202,327	\$ 2,318,968	\$ 1,592,619	\$ 1,530,141	\$ 2,595,702	\$ 3,826,592	\$ 2,702,965	\$ 6,746,257	\$ 2,448,024

Town of Winterville, North Carolina
FUND BALANCES, GOVERNMENTAL FUNDS
(Modified Accrual Basis of Accounting)
Table 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nondspendable	\$ 94,218	\$ 33,436	\$ 21,023	\$ 10,323	\$ 12,036	\$ 11,331	\$ 40,831	\$ 22,663	\$ 14,989	\$ 23,347
Restricted	1,834,409	2,617,740	1,918,013	3,424,408	3,717,133	1,533,674	1,491,884	1,970,527	492,439	2,297,373
Committed	-	27,600	15,200	9,305	9,305	54,305	99,305	144,305	169,305	194,305
Assigned	-	-	669,683	1,296,299	418,406	130,021	469,544	507,102	612,972	386,483
Unassigned	5,413,814	5,214,955	5,913,768	4,310,558	5,337,796	7,102,605	9,379,125	10,797,410	12,142,151	13,761,390
Total General Fund	\$ 7,342,441	\$ 7,893,731	\$ 8,537,687	\$ 9,050,893	\$ 9,494,676	\$ 8,831,936	\$ 11,480,689	\$ 13,442,007	\$ 13,431,856	\$ 16,662,898
All Other Governmental Funds										
Nondspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Winterville, North Carolina
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
Ad valorem taxes	\$ 3,595,253	\$ 3,653,683	\$ 3,721,809	\$ 3,790,345	\$ 3,894,668	\$ 4,061,837	\$ 4,576,384	\$ 4,673,299	\$ 4,817,375	\$ 4,966,101
Other taxes and licenses	24,107	30,878	30,821	23,568	25,458	25,251	26,961	26,535	27,030	27,198
Unrestricted intergovernmental	2,287,726	2,306,162	2,400,590	2,444,867	2,596,931	2,655,675	3,003,956	3,646,217	3,930,026	4,035,145
Restricted intergovernmental	282,550	285,844	341,621	416,410	571,829	1,252,460	1,129,987	787,449	663,613	701,258
Permits and fees	6,175	9,182	12,648	23,266	11,919	14,862	20,797	23,275	27,245	24,196
Sales and services	831,755	868,743	902,904	940,192	983,118	944,257	908,855	1,068,969	1,107,013	1,063,563
Investment earnings	11,019	11,574	10,129	52,769	166,081	102,824	643	14,519	341,481	715,026
Miscellaneous	28,365	54,054	61,592	247,608	173,921	253,224	181,547	186,916	191,672	340,535
TOTAL REVENUES	\$ 7,066,950	\$ 7,220,120	\$ 7,482,114	\$ 7,939,025	\$ 8,423,925	\$ 9,310,390	\$ 9,849,130	\$ 10,427,179	\$ 11,105,455	\$ 11,873,022
EXPENDITURES										
General Government	\$ 1,782,649	\$ 1,915,542	\$ 1,798,530	\$ 1,839,021	\$ 2,008,322	\$ 2,098,548	\$ 2,105,270	\$ 1,824,276	\$ 1,783,297	\$ 2,570,964
Public Safety	1,939,110	2,346,423	2,197,435	2,328,056	3,912,881	5,320,092	3,826,550	3,888,564	4,429,399	4,512,599
Transportation	697,972	642,878	1,057,009	1,059,211	1,040,419	819,554	947,405	849,303	832,795	1,598,729
Environmental Protection	460,546	467,635	479,991	496,618	515,105	532,194	549,593	578,678	663,415	699,107
Cultural and Recreation	762,554	872,316	948,222	1,451,597	1,406,972	1,000,797	924,954	1,164,448	1,431,243	769,688
Public Buildings										
Riembursement - Proprietary Funds	(59,696)	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal retirement	646,924	497,214	502,244	522,403	546,527	610,665	586,075	723,182	564,478	593,844
Interest and Fees	186,171	117,024	101,606	89,818	78,978	97,031	81,605	87,410	68,055	56,530
Capital Outlay	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 6,416,230	\$ 6,891,432	\$ 7,117,437	\$ 7,812,619	\$ 9,529,204	\$ 10,478,881	\$ 9,021,452	\$ 9,115,861	\$ 9,772,682	\$ 11,651,960
REVENUES OVER (UNDER) EXPENDITURES	\$ 650,720	\$ 328,688	\$ 364,677	\$ 126,406	\$ (1,105,279)	\$ (1,168,491)	\$ 827,678	\$ 1,311,318	\$ 1,332,773	\$ 221,062
OTHER FINANCING SOURCES (USES)										
Long Term Debt Issued	\$ 139,500	\$ -	\$ -	\$ 86,500	\$ 1,113,171	\$ -	\$ 1,094,000	\$ -	\$ -	\$ 360,000
Transfers in	188,552	215,444	290,000	311,000	375,578	527,200	650,000	650,000	3,814,984	650,000
Transfers out	-	-	-	-	-	(20,744)	-	-	(3,164,984)	-
Sale of capital assets	-	10,041	21,472	-	58,600	-	77,075	-	-	-

Town of Winterville, North Carolina
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total other financing sources (uses)	\$ 328,052	\$ 225,485	\$ 311,472	\$ 397,500	\$ 1,547,349	\$ 506,456	\$ 1,821,075	\$ 650,000	\$ 650,000	\$ 1,010,000
Net Change in Fund Balances	\$ 978,772	\$ 554,173	\$ 676,149	\$ 523,906	\$ 442,070	\$ (662,035)	\$ 2,648,753	\$ 1,961,318	\$ 1,982,773	\$ 1,231,062
Debt Services as a percentage of noncapital expenditures	15%	10%	9%	9%	7%	7%	8%	10%	7%	6%

Town of Winterville, North Carolina
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Beer and Wine Tax	Penalties/Interest	Total
2015	3,568,313	1,859,505	381,874	45,056	26,940	5,881,688
2016	3,636,065	1,873,780	390,251	41,504	17,618	5,959,218
2017	3,707,824	1,981,553	375,257	42,496	13,985	6,121,115
2018	3,769,774	2,029,698	373,318	40,575	20,571	6,233,936
2019	3,877,261	2,176,597	378,135	40,810	17,407	6,490,210
2020	4,036,209	2,251,108	362,205	41,170	25,628	6,716,320
2021	4,542,500	2,609,407	353,562	40,496	33,884	7,579,849
2022	4,654,147	3,234,632	367,502	41,474	19,152	8,316,907
2023	4,796,958	3,496,242	383,824	47,739	20,147	8,744,910
2024	4,944,532	3,572,090	408,224	52,284	21,569	8,998,699

Town of Winterville, North Carolina
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
Table 6

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Taxes Levied For Fiscal Year</u>	<u>Property Valuation</u>	<u>Direct Tax Rate</u>
2015	3,097,787	432,342	3,530,129	743,185,053	0.475
2016	3,158,563	460,386	3,618,949	761,884,000	0.475
2017	3,231,495	479,943	3,711,438	781,355,368	0.475
2018	3,269,368	472,451	3,741,819	787,751,368	0.475
2019	3,248,858	656,806	3,905,664	822,041,474	0.475
2020	3,405,894	644,595	4,050,489	852,530,947	0.475
2021	3,736,698	772,537	4,509,235	949,085,684	0.475
2022	3,816,100	838,565	4,654,665	979,646,316	0.475
2023	3,895,947	898,050	4,793,997	1,008,979,368	0.475
2024	4,212,302	755,785	4,968,087	1,045,913,053	0.475

Source: Pitt County Tax Assessor

Note: Property in the county is reassessed once every four years on average. The last county-wide revaluation occurred January 1, 2020. The county assesses property at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

Town of Winterville, North Carolina
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
Table 7

Fiscal Year	City Direct Rates		Overlapping Rates			Total Direct and Overlapping Rates
	Basic Rate	Total Direct Rate	Rescue District	Fire District	County Rate	
2015	0.475	0.475	0.0460	0.0440	0.6800	1.2450
2016	0.475	0.475	0.0460	0.0440	0.6800	1.2450
2017	0.475	0.475	0.0460	0.0440	0.6960	1.2610
2018	0.475	0.475	0.0460	0.0440	0.6960	1.2610
2019	0.475	0.475	0.0460	0.0624	0.7210	1.3044
2020	0.475	0.475	0.0460	0.0624	0.7210	1.3044
2021	0.475	0.475	0.0595	0.0624	0.6797	1.2766
2022	0.475	0.475	0.0595	0.0870	0.6841	1.3056
2023	0.475	0.475	0.0595	0.0870	0.6841	1.3056
2024	0.475	0.475	0.0595	0.0870	0.6841	1.3056

Note Tax rates are based on \$100 per assessed valuation for Town of Winterville and all overlapping governments.

Source: Pitt County Tax Assessor

TOWN OF WINTERVILLE, NORTH CAROLINA
Principal Property Taxpayers
Current Year and Ten Years Ago
Table 8

		Fiscal Year 2024			Fiscal Year 2015		
		Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
The Roberts Co Fabrication Services Inc	Manufacturer	\$ 10,986,523	1	1.31%	\$ 7,446,611	1	1.21%
Sam's Real Estate Business Trust	Retail	7,960,324	2	0.95%	6,193,197	2	1.01%
J & S Firetower Property LLC	Warehouse	4,865,731	3	0.58%	2,792,150	6	0.46%
Winterville Machine Works, Inc	Manufacturer	4,536,207	4	0.54%	5,976,796	3	0.97%
Winter Village LLC	Retail	4,385,261	5	0.52%	3,298,085	4	0.54%
Aquatic Holdings LLC	Financial Institution	3,787,103	6	0.45%			
Regional Acceptance Corp.	Financial Institution	3,072,778	7	0.37%			
Wintergreen Commercial Park LLC	Developer	2,983,321	8	0.36%	2,415,922	7	0.39%
State Employees Credit Union	Financial Institution	2,624,398	9	0.31%	2,958,769	5	0.48%
James Hudson	Developer	2,493,767	10	0.30%	2,222,020	9	0.36%
Cole WG Greenville	Developer				2,066,672	10	0.34%
Barfield G Properties	Developer				2,359,041	8	0.38%
Totals		<u>\$ 47,695,413</u>		<u>5.68%</u>	<u>\$ 37,729,263</u>		<u>6.15%</u>
Real Property Valuation		\$ 839,677,978			\$ 613,255,232		

Sources: Pitt County Tax Assessor and Town of Winterville tax records

TOWN OF WINTERVILLE, NORTH CAROLINA
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year (Original Levy)</u>			<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>	
	<u>Original Levy</u>	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Total Amount Collected</u>	<u>Percentage of Original Levy</u>	<u>Collections for Prior Years</u>	<u>Total Amount Collected</u>	<u>Percentage of Adjusted Levy</u>
2014	3,565,648	28,589	3,594,237	3,533,265	99.09%	57,386	3,590,651	99.90%
2015	3,531,045	(916)	3,530,129	3,499,202	99.10%	28,567	3,527,769	99.93%
2016	3,614,977	3,972	3,618,949	3,591,753	99.36%	24,002	3,615,755	99.91%
2017	3,702,996	8,442	3,711,438	3,688,485	99.61%	19,960	3,708,445	99.92%
2018	3,741,801	18	3,741,819	3,717,032	99.34%	19,302	3,736,334	99.85%
2019	3,905,664	-	3,905,664	3,861,379	98.87%	-	3,861,379	98.87%
2020	4,050,489	-	4,050,489	4,007,001	98.93%	-	4,007,001	98.93%
2021	4,509,235	-	4,509,235	4,488,080	99.53%	-	4,488,080	99.53%
2022	4,647,679	6,986	4,654,665	4,630,997	99.64%	-	4,630,997	99.49%
2023	4,797,553	(3,556)	4,793,997	4,759,789	99.21%	-	4,759,789	99.29%
2024	4,974,303	(6,216)	4,968,087	4,938,931	99.29%	-	4,938,931	99.41%

Source: Town of Winterville tax records

Town of Winterville, North Carolina
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Lease	Installment Purchases	General Obligation Bonds	Notes Payable	Capital Leases			
2015	-	4,446,542	-	3,615,870	-	8,062,412	3.55%	848
2016	-	3,949,328	-	5,026,137	-	8,975,465	3.95%	948
2017	-	3,447,084	-	4,476,041	-	7,923,125	3.48%	839
2018	-	3,011,071	-	4,933,121	-	7,944,192	3.49%	841
2019	-	3,577,715	-	5,590,073	-	9,167,788	3.89%	970
2020	-	2,967,050	-	5,573,040	-	8,540,090	3.76%	904
2021	-	3,474,975	-	5,220,002	-	8,694,977	2.32%	831
2022	-	2,751,793	-	5,618,563	-	8,370,356	2.11%	790
2023	-	2,175,915	-	6,305,142	-	8,481,056	2.11%	791
2024	-	1,593,471	-	5,607,319	-	7,200,790	1.72%	665

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Town of Winterville, North Carolina
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Table 11

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2015	-	0.0%	-
2016	-	0.0%	-
2017	-	0.0%	-
2018	-	0.0%	-
2019	-	0.0%	-
2020	-	0.0%	-
2021	-	0.0%	-
2022	-	0.0%	-
2023	-	0.0%	-
2024	-	0.0%	-

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Town of Winterville, North Carolina
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
Table 12

	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit, 8% of Assessed Value	\$ 60,534,518	\$ 59,454,804	\$ 60,950,720	\$ 62,508,429	\$ 63,020,109	\$ 65,763,318	\$ 68,202,476	\$ 75,926,855	\$ 78,371,705	\$ 80,718,349	\$ 83,477,022
Total net debt applicable to limit	9,084,424	8,062,412	8,975,465	7,923,125	3,011,071	3,577,715	2,967,050	3,474,975	2,751,793	2,187,315	1,593,471
Legal debt Margin	\$ 51,450,094	\$ 51,392,392	\$ 51,975,255	\$ 54,585,304	\$ 60,009,038	\$ 62,185,603	\$ 65,235,426	\$ 72,451,880	\$ 75,619,912	\$ 78,531,034	\$ 81,883,551

Total net debt applicable to the limit as a percentage of debt limit	15.01%	13.56%	14.73%	12.68%	4.78%	5.44%	4.35%	4.58%	3.51%	2.71%	1.91%
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Legal Debt Margin Calculation for Fiscal Year Ending June 30

Assessed Property Valuation	\$ 949,085,684	\$ 979,646,316	\$ 1,008,979,368	\$ 1,045,913,053
Debt Limit (8% of assessed value)	75,926,855	78,371,705	80,718,349	83,673,044
Debt applicable to limit:				
General Obligation Bonds	-	-	-	-
Installment Notes Payable	3,474,975	2,751,793	2,187,315	1,953,471
Legal Debt Margin	\$ 72,451,880	\$ 75,619,912	\$ 78,531,034	\$ 81,719,573

Note: NC Statute GS 159-55 limits the amount of outstanding debt to 8% of the appraised value of property subject to taxation.

Town of Winterville, North Carolina
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2024
Table 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Pitt County	\$ 122,202,414	4.6%	\$ 5,612,758
Subtotal, overlapping debt			\$ 5,612,758
Total direct debt			<u>1,953,471</u>
Total direct and overlapping debt			<u><u>\$ 7,566,229</u></u>

Sources: Assessed value data used to estimate applicable percentages were provided by the Pitt County Tax Collector/Assessor. Debt outstanding data provided by Pitt County.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Winterville. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the Town's boundaries and dividing it by the county's total taxable assessed value.

TOWN OF WINTERVILLE, NORTH CAROLINA
ELECTRIC RATES
Last Ten Fiscal Years
(kG=1000 gallons)
Table 14

Type of Customer		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Small General Service	Facility Charge	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
	Demand Rate per kW first 10kW	0	0	0	0	0	0	0	0	0	0
	Demand Rate per kW over 10 kW	0	0	0	0	0	0	0	0	0	0
	Energy Rate per kWh first 3,000 kWh	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153
	Energy Rate per kWh over 3,000 kWh	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042
Medium General Service	Facility Charge	18.43	18.43	18.43	18.43	18.43	18.43	18.43	18.43	18.43	18.43
	Demand Rate per kW first 10kW	2.11	2.11	2.11	2.11	2.11	2.11	2.11	2.11	2.11	2.11
	Demand Rate per kW over 10 kW	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83
	Energy Rate per kWh first 3,000 kWh	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153
	Energy Rate per kWh over 3,000 kWh	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042
Large General Service	Facility Charge	345.00	345.00	345.00	345.00	345.00	345.00	345.00	345.00	345.00	345.00
	Demand Rate per kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW	\$250/mo + \$11.26 per kW for all kW
	Energy Rate per kWh	0.0788	0.0788	0.0788	0.0788	0.0788	0.0788	0.0788	0.0788	0.0788	0.0788
Large General Service Temporary	Facility Charge	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50
	Rate per kWh first 3,000 kWh	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153
	Rate per kWh over 3,000 kWh	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042
Residential Service	Facility Charge	12.82	12.82	12.82	12.82	12.82	12.82	12.82	12.82	12.82	12.82
	Rate per kWh first 800 kWh	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151
	Rate per kWh over 800 kWh	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074
Outdoor Lighting	70W Sodium Vapor	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
	100W Sodium Vapor	16.56	16.56	16.56	16.56	16.56	16.56	16.56	16.56	16.56	16.56
	150W Sodium Vapor	17.96	17.96	17.96	17.96	17.96	17.96	17.96	17.96	17.96	17.96
	250W Sodium Vapor	23.58	23.58	23.58	23.58	23.58	23.58	23.58	23.58	23.58	23.58
	400W Sodium Vapor	35.79	35.79	35.79	35.79	35.79	35.79	35.79	35.79	35.79	35.79
	1000W Sodium Vapor	57.94	57.94	57.94	57.94	57.94	57.94	57.94	57.94	57.94	57.94
	Wood Pole	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Underground Service <150 ft.	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00
	Underground Service >150 ft.	\$85 + \$3.00/ft	\$85 + \$3.00/ft	\$85 + \$3.00/ft	\$85 + \$3.00/ft	\$85 + \$3.00/ft	\$85 + \$3.00/ft	\$85 + \$3.00/ft	\$85 + \$3.00/ft	\$85 + \$3.00/ft	\$85 + \$3.00/ft

**TOWN OF WINTERVILLE, NORTH CAROLINA
WATER, SEWER AND STORMWATER RATES**

Last 10 Fiscal Years
(kG=1000 gallons)

Table 15

Type of Customer			Fiscal Year Ending										
			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Water	Monthly Base Rate (3kG)	In	\$ 19.02	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	
		Out	\$ 38.04	\$ 44.80	\$ 44.80	\$ 44.80	\$ 44.80	\$ 44.80	\$ 44.80	\$ 44.80	\$ 44.80	\$ 44.80	
	Rate per 1kG for next 17 kG	In	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31
		Out	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62
	Rate per 1kG for over 20kG	In	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31
		Out	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62
Sewer	Monthly Base Rate (3kG)	In	\$ 26.56	\$ 26.83	\$ 26.83	\$ 26.83	\$ 30.83	\$ 30.83	\$ 30.83	\$ 34.33	\$ 34.33	\$ 34.33	
		Out	\$ 53.12	\$ 53.65	\$ 53.65	\$ 53.65	\$ 57.65	\$ 61.15	\$ 61.15	\$ 61.15	\$ 61.15	\$ 61.15	
	Rate per 1kG for next 17 kG	In	\$ 8.48	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	
		Out	\$ 16.97	\$ 17.14	\$ 17.14	\$ 17.14	\$ 17.14	\$ 17.14	\$ 17.14	\$ 17.14	\$ 17.14	\$ 17.14	
	Rate per 1kG for over 20kG	In	\$ 6.94	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	
		Out	\$ 13.88	\$ 14.02	\$ 14.02	\$ 14.02	\$ 14.02	\$ 14.02	\$ 14.02	\$ 14.02	\$ 14.02	\$ 14.02	
Stormwater	Monthly Base Rate (Rate Per ERU)	In	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	
		In	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	

Town of Winterville, North Carolina
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
Table 16

Fiscal Year	Population (1)	Median Household income (1)	Per Capita Personal Income (2)	County School Enrollment (3)	County Unemployment Rate Percentage (4)
2015	9,511	57,220	26,865	23,511	5.5%
2016	9,464	58,801	27,309	23,348	5.5%
2017	9,447	59,135	28,662	23,301	4.5%
2018	9,368	59,135	28,662	23,255	4.9%
2019	9,845	63,976	34,260	23,487	5.2%
2020	9,931	72,584	34,246	23,343	7.3%
2021	10,462	74,527	35,828	23,975	5.1%
2022	10,591	68,525	37,436	23,235	4.5%
2023	10,724	80,199	38,356	23,456	4.2%
2024	10,821	82,969	38,652	23,732	4.7%

- Sources:
- (1) US Census Quick facts website
 - (2) Provided by the 2000 U.S. Census and adjusted each subsequent year by percentage change in personal income reported by the U.S. Department of Commerce, Bureau of Economic Analysis
 - (3) Provided by Pitt County Schools Public Information office
 - (4) Provided by annual average for Pitt County reported by N.C. Employment Security Commission

Town of Winterville, North Carolina
PRINCIPAL EMPLOYERS
June 30, 2024
Table 17

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Pitt Community College	701	1	6.80%
Roberts Company	556	2	5.39%
Pitt County Schools	205	3	1.99%
North Carolina Driving School	204	4	1.98%
Regional Acceptance Corporation	199	5	1.93%
Chick-fil-A	154	6	1.49%
Sam's Club	150	7	1.45%
Town of Winterville	103	8	1.00%
ONLINE Information Services, Inc.	68	9	0.66%
Winterville Machine Works	58	10	0.56%
Total	<u>2,398</u>		<u>23.25%</u>

Source: Staff contact with employers.

Town of Winterville, North Carolina
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 Table 18

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Central government												
Administration	2	4	5	5	5	5	5	5	5	4	3	5
Finance	6	6	6	6	6	6	6.5	6.5	6.5	6.5	6	6
Town Clerk	1	1	1	1	1	1	1	1	1	1	1	1
Planning	3	1	1	1	1	1	1	1	1	1	1	1
Inspections	N/A	2	2	2	2	2	2	2	2	2	3	3
Transportation												
Streets and Highways	3.5	6	6	5	4	4	4	4	4	4	4	4
Public Safety												
Sworn Officers	18	19	19	19	19	19	19	23	23	23	27	21
Civilians	1	1	1	1	1	1	1	1	1	1	1	0
Fire	1	1	1	1	1	1	2	15	15	17	11	13
Public Works	3.5	3.5	4	4	4	3	3	4	4	4	5	4
Economic and physical development	0	0	0	1	1	1	1	1	1	1	1	0
Cultural and recreation	4	4	4	4	4	4	5	5	5	5	4	5
Operation Support / IT	2	1	1	0	0	0	0	0	0	0	0	0
Electric operations	9	10.5	9.5	9	9	10	10.5	10.5	10.5	10.5	12	11
Water	4	3	3	3	3	4	4	4	4	4	3	4
Sewer	2	2	2	2	2	2	2	2	2	2	2	2
Storm Water	0	0	0	0	1	1	2	2	2	2	1	2
Information Technology	2	2	2	0	0	0	0	0	0	0	0	0
TOTAL	62	67	67.5	64	64	65	69	87	87	88	85	82

Source: Town Human Resource Department

Town of Winterville, North Carolina
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
Table 19

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Physical arrests	254	269	367	188	453	434	508	440	186	277
Traffic Violations	2,945	3,707	3,346	2,701	7,513	5,943	4,939	3,590	1,157	2,385
Fire										
Number of calls answered	560	600	693	794	1,253	1,379	1,463	1,590	1,339	1,616
Inspections	318	520	467	479	446	391	457	375	348	395
Building Inspections										
New construction permits	126	98	89	98	98	98	130	84	160	79
Highways and Streets										
Street Resurfacing	3	8	-	0.25	0.25	0.26	0.26	-	-	0.39
Potholes Repaired	30	50	40	150	150	37	50	42	63	75
Sanitation										
Refuse collected (tons/day)	6	7	8	8	8	8	8	9	9	9
Recyclables collected (tons/day)	2	2	2	2	2	2	2	3	3	3
Culture and Recreation										
Athletic field permits issued	-	-	-	-	-	-	-	-	-	-
Community center admissions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water										
New Connections	62	75	95	49	59	39	100	40	105	45
Water main breaks	1	1	1	-	-	-	-	1	1	-
Average daily consumption (hundreds of gallons)	528,227	540,595	551,661	583,332	574,918	577,382	598,726	586,939	595,500	613,951
Number of customers	3,900	3,975	4,065	4,114	4,173	4,212	4,312	4,352	4,457	4,563
Wastewater										
New Connections	80	79	105	55	63	42	74	33	89	70
Average daily sewage treatment (hundreds of gallons)	493,172	506,912	506,286	535,603	530,213	532,382	549,280	542,085	552,138	561,508
Number of customers	3,592	3,671	3,766	3,821	3,884	3,926	4,000	4,033	4,122	4,221

Source: Various departments

Town of Winterville, North Carolina
CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Table 20

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety											
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	19	19	19	19	19	19	19	28	28	26
Fire Stations	1	1	1	1	1	1	1	1	1	1	1
Sanitation											
Collection Trucks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Highways and Streets											
Streets (miles)	43.66	43.92	44.35	45.1	45.45	45.82	46.65	47.74	48.12	48.845	48.845
Highways (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic signals	3	3	3	3	3	3	4	4	4	4	4
Parks and Recreation											
Park Acreage	30	30	30	30	30	30	30	30	30	30	42
Tennis Court	2	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	3	3	3	3	3	3	3	3	3
Baseball/Softball Diamonds	6	6	6	6	6	6	6	6	6	6	6
Soccer/football	3	3	3	3	3	3	4	4	4	4	4
Community Centers	0	0	0	0	0	0	0	0	0	0	0
Water											
Water Mains (miles)	64	64	64	68	68	71	71	72	69.08	70.49	73.68
Fire Hydrants	384	395	416	424	427	428	428	448	450	463	469
Wastewater											
Sanitary sewers (miles)	61.22	61.22	62	63	63	65	65	68	68.23	68.81	69.37
Storm water pipe	38	38	38	38	38	38	39	41	41.33	41.82	42.32

Source: Various Town Departments.

Notes: (1) The Town of Winterville does not treat its own Waste water; it is sent to CMSD which has a capacity of 3.5 million gallons per day.

COMPLIANCE SECTION





Thompson, Price, Scott, Adams & Co., P.A.
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Wilmington, North Carolina 28403
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**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 Town Council
Winterville, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winterville, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises the Town of Winterville's basic financial statements, and have issued our report thereon dated October 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Winterville's internal control over financial reporting (internal control) as a basis for 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 the Town of Winterville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 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.

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Winterville'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 determination of financial statement amounts. 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*.

Town of Winterville's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Winterville's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
October 11, 2024



Thompson, Price, Scott, Adams & Co., P.A.
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Telephone (910) 791-4872
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Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; with OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Members of the Town Council
Town of Winterville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Winterville, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Winterville's major State programs for the year ended June 30, 2024. The Town of Winterville's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Winterville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Winterville and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Town of Winterville's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Town of Winterville State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Winterville's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Winterville's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Town of Winterville's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town of Winterville's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Winterville's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

October 11, 2024

**TOWN OF WINTERVILLE, NORTH CAROLINA
WINTERVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes No
 Significant Deficiency(s) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

State Awards

Internal control over major State programs:

• Material Weakness(es) identified? Yes No
 • Significant deficiency(s) identified? Yes None Reported

Type of auditor's report issued on compliance for major State programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act Yes No

Identification of major State programs:

Program Name
Powell Bill

Dollar threshold used to determine a State major program \$ 500,000

Auditee qualified as State low-risk auditee? Yes No

**TOWN OF WINTERVILLE, NORTH CAROLINA
WINTERVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section II. Financial Statement Findings

Significant Deficiency

Findings: 2024-001 Prior Period Adjustment

Criteria: Prior Period Adjustment

Condition: Restatement of previously issued financial statements to reflect the correction of a misstatement.

Effect: Restatement of Net Position to reflect an understatement of Fixed Assets.

Cause: The Town did not properly add fixed assets to their ledgers when donated by developers.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: The Town will review the financial statements and reconcile to Town's ledgers and records.

View of responsible officials and planned corrective actions: The Town council and Finance department will implement the above procedure immediately.

Section III. State Award Findings and Questioned Costs

None.

**TOWN OF WINTERVILLE, NORTH CAROLINA
WINTERVILLE, NORTH CAROLINA
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024**

Status: 2023-001 Corrected.



WINTERVILLE

A slice of the good life!

2571 Railroad Street
PO Box 1459
Winterville, NC 28590

Phone (252) 756-2221
Fax (252)321-8455
www.wintervillenc.com

To Whom it May Concern:

Corrective Action Plan for the Fiscal Year Ended June 30, 2024

Fixed Assets Prior Period Adjustment:

The Town's fixed asset schedule did not include donated water and sewer system infrastructure assets from subdivision developments that should have been recorded in prior years.

Corrective Action:

In order to correct and update the fixed asset schedule, the Town invested in a water and sewer system infrastructure valuation study. This study determined the value of existing and new water and sewer assets donated from subdivision developments that had not previously been recorded on the fixed asset schedules. The study also redefined the useful life terms for water and sewer assets going forward. The addition of the donated assets to the fixed asset schedule significantly increased the remaining useful life of the Town's water and sewer capital assets.

Proposed Completion Date: June 30, 2024

Town of Winterville, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's No.	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to subrecipients
Federal Grants:					
Cash Programs:					
<u>U.S. Dept. of Justice</u>					
Equitable Sharing Program					
Asset Forfeiture Funds	16.922		\$ 64,901	\$ -	\$ -
<u>U.S. Dept. of Transportation</u>					
Passed-through the N.C. Dept. of Transportation					
Highway Planning, Research & Construction Cluster					
Safe Routes to School Program (SRTS)	20.205		3,660	-	-
<u>U.S. Dept. of Treasury</u>					
Passed-through the N.C. Dept. of Environmental Quality					
Division of Water Infrastructure					
Asset and Inventory Assessment Grants	21.027	SRP-SW-ARP-0062	42,775	-	-
<u>U.S. Dept. of Environmental Protection Agency</u>					
Passed-through the N.C. Dept. of Environmental Quality					
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS370879-03	97,111	-	-
Total assistance - federal programs			208,447	-	-
State Grants:					
Cash Assistance:					
<u>N.C. Dept. of Transportation:</u>					
Powell Bill		38071	-	603,024	-
Total assistance - State programs			-	603,024	-
Total assistance			\$ 208,447	\$ 603,024	\$ -

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Town of Winterville under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Winterville, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Winterville.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The Town of Winterville has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.