

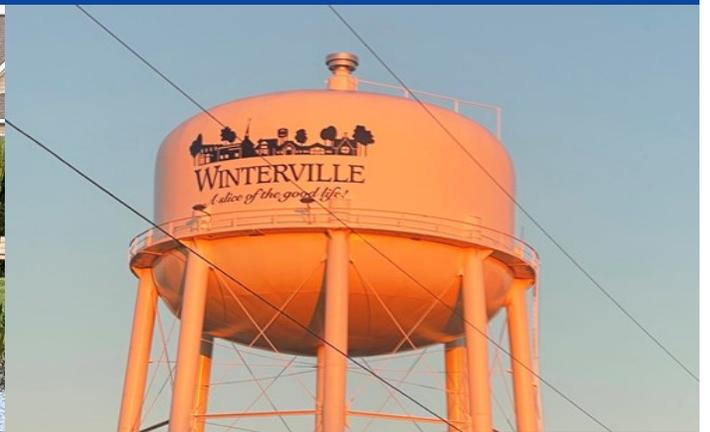
WINTERVILLE

A slice of the good life!



Annual Comprehensive Financial Report

For the Fiscal Year Ending June 30th, 2025





Town of Winterville, North Carolina

Annual Comprehensive

Financial Report

For the Fiscal Year Ended June 30, 2025

Statements prepared by: Jessica Manning - Finance Director



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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, 2024

Christopher P. Morrill

Executive Director/CEO



INTRODUCTORY SECTION



Town of Winterville, North Carolina

List of Principal Officials

Town Council

Mayor

Richard E. Hines

Council Members

Johnny L. Moyer – Mayor Pro-Tem

Brandy Harrell

Shantel E. Hawkins

Veronica W. Roberson

Lisa A. Smith

Town Manager

Terri L. Parker

Assistant Town Manager

Anthony Bowers

Finance Director

Jessica Manning

Town Clerk

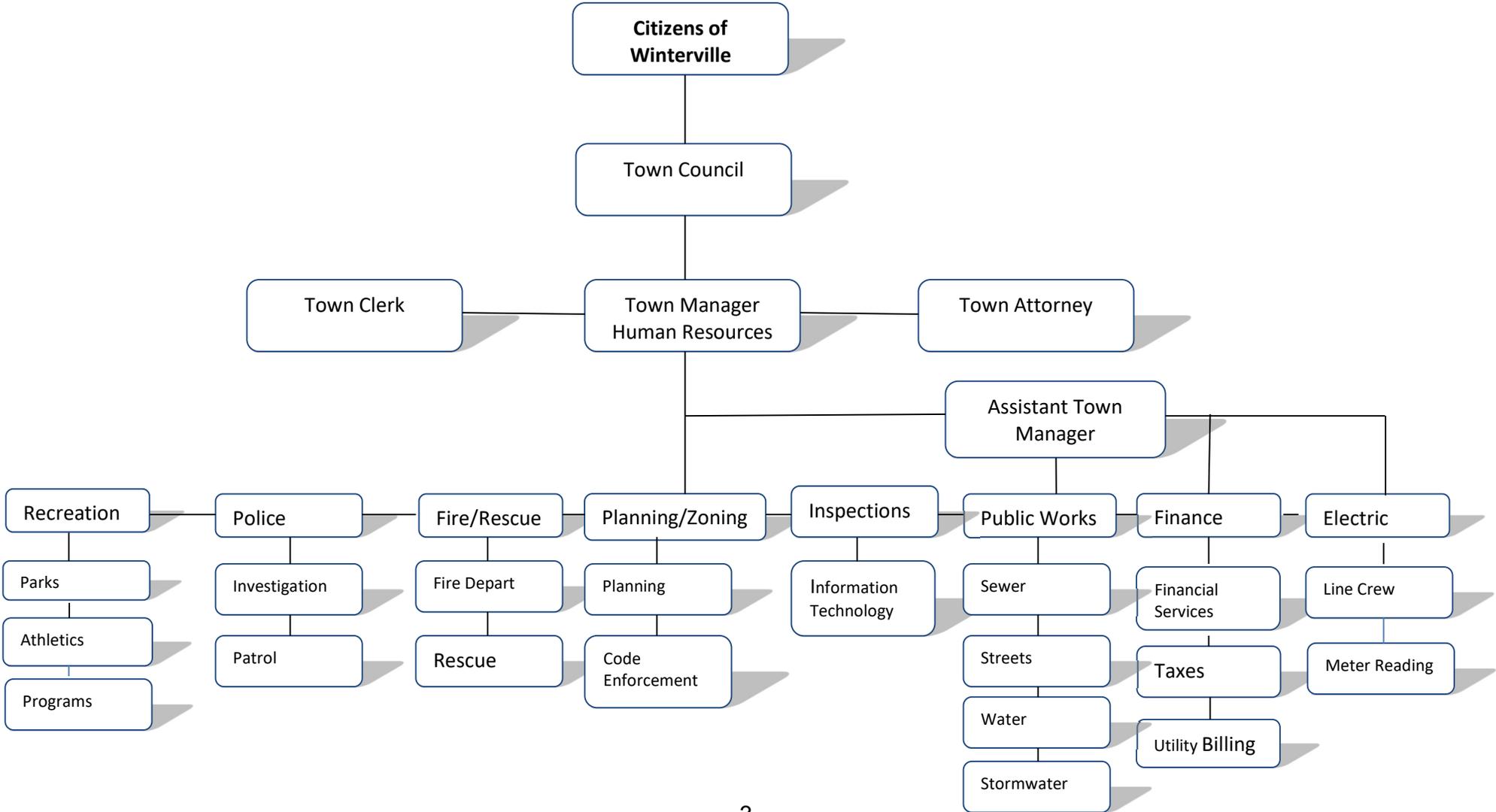
Donald Harvey

Town Attorney

E. Keen Lassiter



Town of Winterville, North Carolina Organizational Chart







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PO Box 1459
Winterville, NC 28590

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www.wintervillenc.com

October 17, 2025

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 fourteenth Annual Comprehensive Financial Report. This report is for the fiscal year ending June 30th, 2025. 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, 2025.

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 not 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 11,393 as of June 30th, 2025.

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, cemetery, 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 Town 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 actively marketing more than 100 acres of commercially zoned land along Highway 11 and anticipates continued commercial interest in the area.

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 788 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 40 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 Materials Handling and many others. The unemployment rate for Pitt County is 4.4 percent. The population for Pitt County is 180,783.

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 Planning, Electric Utilities, Water Utilities, Sewer Utilities and Storm Water Utilities. The Town has also committed to the safety of our citizens and businesses by investing heavily in fire and safety. 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 towns 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 will cost \$8.25 million and will be completed in March of 2026.

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 had 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 a water looping project. It also includes the addition of a Water Tower and other capacity improvements.

Major Initiatives

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

The Town continues to advance its economic development efforts through strategic partnerships and community-focused initiatives. Winterville has strengthened its position as a Certified Retirement Community recognized by the North Carolina Department of Commerce. This year's efforts have centered on supporting small businesses and entrepreneurship through collaboration with the Chamber of Commerce and Pitt Community College, engaging with developers to encourage thoughtful growth, and implementing land use plans that promote a balanced mix of residential and commercial development. The Town also continues to work closely with the

North Carolina Department of Transportation to ensure infrastructure keeps pace with growth and enhances overall quality of life.

The Town of Winterville is positioned for continued growth for the 2025-2026 fiscal year. During the 2024–2025 fiscal year, 81 zoning compliances were approved for new residential homes. Although the number of undeveloped residential lots remains limited due to ongoing growth, several new residential developments have been submitted for Town review or are nearing construction. Winterville continues to experience exceptionally high occupancy rates across both residential and commercial properties. Commercial growth is expected to remain strong, with several smaller projects already underway that are generating additional investment interest in the community.

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 the 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, a 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 13.64% of earnings for employees not engaged in law enforcement and 15.04% for law enforcement officers for the fiscal year ending June 30th, 2025. 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, 2024. 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 plan to submit the report 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.
4024 Oleander Drive Suite 103
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 239-8294

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, 2025, 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, 2025, 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 by us. In our opinion, based on our audit, the procedures 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 December 11, 2025, 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

December 11, 2025



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, 2025. 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.

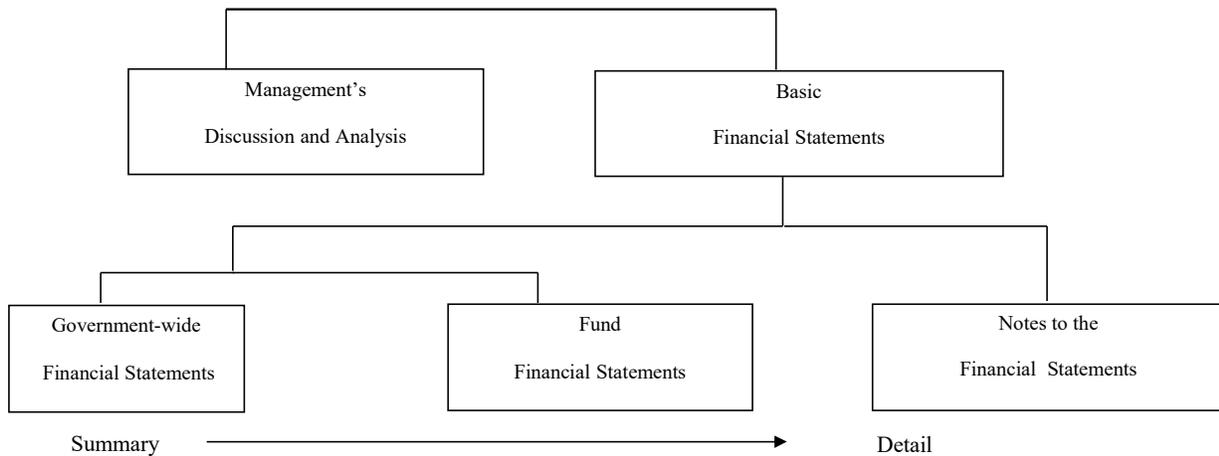
Financial Highlights

- 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 \$75,771,086 (net position).
- The government's total net position increased from the prior year by \$2,861,368 before restatement.
- As of the close of the current fiscal year, the Town of Winterville governmental funds reported combined ending fund balances of \$18,133,451 with a net increase of \$1,441,021 in fund balance. Approximately 69% of fund balance, or \$12,425,450 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,425,450, or 118% of total general fund expenditures for the fiscal year. The combined unassigned and assigned fund balance for the General Fund was \$14,640,441 or 99% of total General Fund expenditures for the fiscal year.
- The Town’s total long-term debt increased by \$2,660,248 during the current fiscal year.
- The Town has a restatement of \$68,889 due to change in accounting principal due to GASB 101 to include sick leave.

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 statements.

Government-Wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, 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 enterprise funds 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	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 19,127,604	\$ 18,214,160	\$ 17,351,294	\$ 17,552,433	\$ 36,478,898	\$ 35,766,593
Capital assets	25,490,676	23,769,569	32,618,912	28,779,300	58,109,588	52,548,869
Total assets	44,618,280	41,983,729	49,970,206	46,331,733	94,588,486	88,315,462
Deferred outflows of resources	2,140,498	2,534,698	738,888	634,570	2,879,386	3,169,268
Liabilities:						
Long-term liabilities outstanding	6,569,670	7,473,410	9,257,688	6,741,960	15,827,358	14,215,370
Other liabilities	2,350,445	2,051,062	2,754,194	1,319,132	5,104,639	3,370,194
Total liabilities	8,920,115	9,524,472	12,011,882	8,061,092	20,931,997	17,585,564
Deferred inflows of resources	573,121	713,531	191,668	210,028	764,789	923,559
Net position:						
Net investment in capital assets	23,717,868	21,816,098	24,541,333	23,021,982	48,259,201	44,838,080
Restricted	3,040,809	2,297,393	-	-	3,040,809	2,297,393
Unrestricted	10,506,865	10,166,933	13,964,211	15,673,201	24,471,076	25,840,134
Total net position	\$ 37,265,542	\$ 34,280,424	\$ 38,505,544	\$ 38,695,183	\$ 75,771,086	\$ 72,975,607

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 \$75,771,086 as of June 30, 2025. The Town's net position for governmental activities and business-type activities were \$37,265,542 and \$38,505,544, respectively. The Town's net position increased by \$2,861,368 before prior period adjustment for the fiscal year ended June 30, 2025.

However, the largest portion, \$48,259,201, 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 \$3,040,809 represents resources that are subject to external restrictions on how they may be used. A balance of \$24,471,076 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	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 1,332,940	\$ 1,195,010	\$ 13,158,634	\$ 12,946,737	\$ 14,491,574	\$ 14,141,747
Operating grants and contributions	615,889	563,070	-	-	615,889	563,070
Capital grants and contributions	18,896	33,497	179,230	42,775	198,126	76,272
General revenues:						
Property taxes	6,755,366	4,986,419	-	-	6,755,366	4,986,419
Other taxes	4,274,243	4,035,145	-	-	4,274,243	4,035,145
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Investment earnings	655,901	715,026	438,975	483,605	1,094,876	1,198,631
Other	1,933,570	340,535	-	1,569,789	1,933,570	1,910,324
Total revenues	15,586,805	11,868,702	13,776,839	15,042,906	29,363,644	26,911,608
Expenses:						
General government	2,252,686	3,128,470	-	-	2,252,686	3,128,470
Public safety	5,658,975	4,939,180	-	-	5,658,975	4,939,180
Transportation	1,764,979	2,575,684	-	-	1,764,979	2,575,684
Environmental protection	582,009	676,573	-	-	582,009	676,573
Cultural and recreation	1,068,075	921,771	-	-	1,068,075	921,771
Public buildings	1,518,768	466,626	-	-	1,518,768	466,626
Interest on long-term debt	54,353	52,160	-	-	54,353	52,160
Electric	-	-	7,361,564	6,451,320	7,361,564	6,451,320
Water	-	-	2,278,060	1,698,567	2,278,060	1,698,567
Sewer	-	-	3,208,033	2,969,436	3,208,033	2,969,436
Stormwater	-	-	754,774	583,797	754,774	583,797
Total expenses	12,899,845	12,760,464	13,602,431	11,703,120	26,502,276	24,463,584
Increase in net position, before transfers	2,686,960	(891,762)	174,408	3,339,786	2,861,368	2,448,024
Transfers	350,000	650,000	(350,000)	(650,000)	-	-
Increase in net position, after transfers	3,036,960	(241,762)	(175,592)	2,689,786	2,861,368	2,448,024
Net position, beginning, previously reported	34,280,424	34,522,186	38,695,183	25,461,169	72,975,607	59,983,355
Restatement	(51,842)	-	(14,047)	10,544,228	(65,889)	10,544,228
Net position, beginning, restated	34,228,582	34,522,186	38,681,136	36,005,397	72,909,718	70,527,583
Net position, ending	\$ 37,265,542	\$ 34,280,424	\$ 38,505,544	\$ 38,695,183	\$ 75,771,086	\$ 72,975,607

Governmental activities- Governmental activities increased the Town's net position by \$3,036,960 before restatement. Contributing factors for this increase in net position was due to an increase in property taxes.

Business-type activities- Business-type activities of the Town reported \$38,505,544 in net position, a decrease of \$175,592 before restatement.

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 \$12,425,450, while the total fund balance reached \$17,978,709. 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 84% of total General Fund expenditures, while total fund balance is 122% of total General Fund expenditures.

At June 30, 2025, the total governmental funds of the Town of Winterville reported a fund balance of \$18,133,451 with a net increase in fund balance of \$1,441,021. Included in this change in fund balance is an increase in fund balance in the General Fund totaling \$1,315,791.

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 \$13,964,211. 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, 2025, totals \$58,109,588 (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. See Note A for further capital asset information.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and construction in progress	\$ 7,009,536	\$ 5,891,231	\$ 6,086,191	\$ 1,487,001	\$13,095,727	\$ 7,378,232
Distribution and treatment systems	-	-	25,645,769	26,600,092	25,645,769	26,600,092
Buildings	2,816,920	2,863,786	30,797	34,454	2,847,717	2,898,240
Infrastructure	12,590,127	11,885,232	-	-	12,590,127	11,885,232
Equipment and vehicles	3,074,093	3,129,320	856,155	657,753	3,930,248	3,787,073
Total	\$ 25,490,676	\$ 23,769,569	\$32,618,912	\$ 28,779,300	\$58,109,588	\$ 52,548,869

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, 2025, the Town had total bonded debt outstanding of \$9,850,387. 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, 2025 amounted to \$18,131,822 which was an increase of \$2,660,248 from prior year. See note B. Liabilities for further long-term debt information.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Installment purchases	\$ 1,772,808	\$ 1,953,471	\$ 8,077,579	\$ 5,757,318	\$ 9,850,387	\$ 7,710,789
Compensated absences	462,493	419,796	92,475	74,269	554,968	494,065
Net pension liability (LGERS)	3,019,245	3,139,067	1,174,152	817,500	4,193,397	3,956,567
Total pension liability (LEO)	787,069	699,396	-	-	787,069	699,396
Total OPEB liability	1,977,120	1,927,185	768,880	749,461	2,746,000	2,676,646
Total	\$ 8,018,735	\$ 8,138,915	\$ 10,113,086	\$ 7,398,548	\$ 18,131,821	\$ 15,537,463

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 \$118,488,916. The Town has no bonds authorized but unissued at June 30, 2025.

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 with estimated tax revenue of \$6,952,945, an increase of \$312,998.
- The population growth increased to 11,393 from 10,821 from 2024 to 2025.
- The total number of utility customers has increased slightly reflecting moderate growth.
- Fund balance appropriated in the General Fund for fiscal year 2025-2026 is \$1,886,961.
- 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 \$1,739,094.
 - Staff will receive raises this year with a COLA in the amount of 5% and a 1.5% - 2.5% opportunity for a merit increase.
 - Due to the possibility of increased inflation, the town is anticipating a slight increase in sales tax revenue.
 - The 2025-2026 budget includes \$532,814 of new debt proceeds in the General Fund, \$290,000 in the Electric Fund, \$106,000 in the
 - The Town will be completing an \$8 million sewer rehabilitation project that is being financed through the North Carolina Division of Environmental Quality.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities – The annual budget for the General Fund is \$17,708,462 for the 2025-2026 fiscal year with taxable valuation of property of \$1,360,832,543. The tax rate will remain at 45 cents per 100 dollars of valuation. Major appropriations include contributions to the Recreation Fund in the amount of \$1,209,327.

Business-Type Activities - The total Electric Fund budget for the 2025-2026 fiscal year is \$9,444,778. The purchase of power for resale is budgeted in the amount of \$4,700,000. Also, the Electric Department will include an appropriation of \$562,938 for services provided by the General Fund and \$350,000 as a straight contribution to the General Fund. Appropriated Retained Earnings for fiscal year 2025-2026 are \$1,100,479 in the Electric Fund.

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) 756-2221 ext. 2351, 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
June 30, 2025

	Primary Government		
	Government Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 15,665,815	\$ 14,251,347	\$ 29,917,162
Restricted cash and cash equivalents	1,694,207	190,678	1,884,885
Taxes receivables (net)	86,124	-	86,124
Accrued interest receivable on taxes	12,374	-	12,374
Accounts receivable (net)	163,593	1,603,297	1,766,890
Due from other governments	1,489,575	-	1,489,575
Inventories	15,916	1,272,972	1,288,888
Prepaid expenses	-	33,000	33,000
Total current assets	19,127,604	17,351,294	36,478,898
Non-current assets:			
Capital assets:			
Land and construction in progress	7,009,536	6,086,191	13,095,727
Other capital assets, net of depreciation	18,481,140	26,532,721	45,013,861
Total capital assets	25,490,676	32,618,912	58,109,588
TOTAL ASSETS	44,618,280	49,970,206	94,588,486
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals - LGERS	1,544,337	600,576	2,144,913
Pension deferrals - LEO	240,499	-	240,499
OPEB deferrals	355,662	138,312	493,974
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,140,498	738,888	2,879,386
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	650,372	1,708,118	2,358,490
Net pension liability - LGERS - current	600,000	228,968	828,968
Total pension liability - LEOSSA - current	45,000	-	45,000
Total OPEB liability - current	85,000	34,000	119,000
Compensated absences - current	138,177	45,699	183,876
Installment purchase payable - current	580,888	546,731	1,127,619
Liabilities payable from restricted assets:			
Customer deposits	251,008	190,678	441,686
Total current liabilities	2,350,445	2,754,194	5,104,639
Long-term liabilities:			
Net pension liability - LGERS	2,419,245	945,184	3,364,429
Total pension liability - LEOSSA	742,069	-	742,069
Total OPEB liability	1,892,120	734,880	2,627,000
Installment purchases	1,191,920	7,530,848	8,722,768
Compensated absences	324,316	46,776	371,092
Total long-term liabilities	6,569,670	9,257,688	15,827,358
TOTAL LIABILITIES	8,920,115	12,011,882	20,931,997
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals - LGERS	68,880	26,787	95,667
Pension deferrals - LEO	80,258	-	80,258
OPEB deferrals	423,983	164,881	588,864
TOTAL DEFERRED INFLOWS OF RESOURCES	573,121	191,668	764,789
NET POSITION			
Net investment in capital assets	23,717,868	24,541,333	48,259,201
Restricted for:			
Stabilization by State Statute	1,653,168	-	1,653,168
Streets	958,792	-	958,792
Public safety	114,499	-	114,499
Recreation	314,350	-	314,350
Unrestricted	10,506,865	13,964,211	24,471,076
TOTAL NET POSITION	\$ 37,265,542	\$ 38,505,544	\$ 75,771,086

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

Town of Winterville, North Carolina
Statement of Activities
For the Year Ended June 30, 2025

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	\$ 2,252,686	\$ 61,245	\$ 1,300	\$ -	\$ (2,190,141)	\$ -	\$ (2,190,141)
Public safety	5,658,975	23,908	220,825	18,896	(5,395,346)	-	(5,395,346)
Transportation	1,764,979	-	393,764	-	(1,371,215)	-	(1,371,215)
Environmental protection	582,009	806,670	-	-	224,661	-	224,661
Cultural and recreation	1,068,075	266,238	-	-	(801,837)	-	(801,837)
Public buildings	1,518,768	174,879	-	-	(1,343,889)	-	(1,343,889)
Interest on long-term debt	54,353	-	-	-	(54,353)	-	(54,353)
Total governmental activities	<u>12,899,845</u>	<u>1,332,940</u>	<u>615,889</u>	<u>18,896</u>	<u>(10,932,120)</u>	<u>-</u>	<u>(10,932,120)</u>
Business-type activities:							
Electric	7,361,564	7,507,168	-	-	-	145,604	145,604
Water	2,278,060	1,767,677	-	-	-	(510,383)	(510,383)
Sewer	3,208,033	3,338,360	-	-	-	130,327	130,327
Stormwater	754,774	545,429	-	179,230	-	(30,115)	(30,115)
Total business-type activities	<u>13,602,431</u>	<u>13,158,634</u>	<u>-</u>	<u>179,230</u>	<u>-</u>	<u>(264,567)</u>	<u>(264,567)</u>
Total primary government	<u>\$ 26,502,276</u>	<u>\$ 14,491,574</u>	<u>\$ 615,889</u>	<u>\$ 198,126</u>	<u>(10,932,120)</u>	<u>(264,567)</u>	<u>(11,196,687)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					6,755,366	-	6,755,366
Local option sales tax					3,764,466	-	3,764,466
Other taxes and licenses					509,777	-	509,777
Investment earnings, unrestricted					655,901	438,975	1,094,876
Miscellaneous, unrestricted					1,933,570	-	1,933,570
Transfers					350,000	(350,000)	-
Total general revenues, special items, and transfers					<u>13,969,080</u>	<u>88,975</u>	<u>14,058,055</u>
Change in net position					3,036,960	(175,592)	2,861,368
Net position, beginning, as previously reported					34,280,424	38,695,183	72,975,607
Restatement					(51,842)	(14,047)	(65,889)
Net position, beginning, restated					<u>34,228,582</u>	<u>38,681,136</u>	<u>72,909,718</u>
Net position, ending					<u>\$ 37,265,542</u>	<u>\$ 38,505,544</u>	<u>\$ 75,771,086</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, 2025

	Major Funds			Total Governmental Funds
	General Fund	Safe Routes for School	Recreation Accessible Parks Grant	
ASSETS				
Cash and equivalents	\$ 15,665,815	\$ -	\$ -	\$ 15,665,815
Restricted cash and cash equivalents	1,537,641	32,774	123,792	1,694,207
Receivables, net:				
Taxes	86,124	-	-	86,124
Accounts	163,593	-	-	163,593
Due from other governments	1,489,575	-	-	1,489,575
Inventories	15,916	-	-	15,916
Total assets	<u>\$ 18,958,664</u>	<u>\$ 32,774</u>	<u>\$ 123,792</u>	<u>\$ 19,115,230</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 634,154	\$ 1,824	\$ -	\$ 635,978
Liabilities payable from restricted assets:				
Customer deposits	251,008	-	-	251,008
Total liabilities	<u>885,162</u>	<u>1,824</u>	<u>-</u>	<u>886,986</u>
DEFERRED INFLOWS OF RESOURCES				
Accounts receivable, net (garbage)	8,669	-	-	8,669
Property taxes receivable	86,124	-	-	86,124
Total deferred inflows of resources	<u>94,793</u>	<u>-</u>	<u>-</u>	<u>94,793</u>
FUND BALANCES				
Nonspendable				
Inventories	15,916	-	-	15,916
Restricted				
Stabilization by State Statute	1,653,168	-	-	1,653,168
Streets	958,792	-	-	958,792
Public Safety	114,499	30,950	-	145,449
Recreation	314,350	-	123,792	438,142
Committed				
Housing	89,305	-	-	89,305
OPEB	150,000	-	-	150,000
Assigned				
Subsequent years expenditures	2,257,229	-	-	2,257,229
Unassigned	12,425,450	-	-	12,425,450
Total fund balances	<u>17,978,709</u>	<u>30,950</u>	<u>123,792</u>	<u>18,133,451</u>
Total fund balance, total liabilities, deferred inflows of resources and fund balance	<u>\$ 18,958,664</u>	<u>\$ 32,774</u>	<u>\$ 123,792</u>	<u>\$ 19,115,230</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, 2025

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	59,963,675	
Less: accumulated depreciation	<u>(34,472,999)</u>	25,490,676
Earned revenues considered deferred inflows of resources in fund statements		94,793
Interest receivable on deferred property taxes		12,374
Deferred outflows of resources related to pensions and opeb are not reported in the funds		
Pension deferral - LGERS		1,544,337
Pension deferral - LEO		240,499
OPEB deferral		355,662
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		(1,772,808)
Accrued interest on long-term liabilities		(14,394)
Compensated absences		(462,493)
Net pension liability		(3,019,245)
Total pension liability		(787,069)
OPEB liability		(1,977,120)
Deferred inflows of resources related to pensions and opeb are not reported in the funds		
Pension deferral - LGERS		(68,880)
Pension deferral - LEO		(80,258)
OPEB deferral		(423,983)
Net position of governmental activities		<u>\$ 37,265,542</u>

Town of Winterville, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	Major Governmental Fund			Total Governmental Funds
	General Fund	Safe Routes for School	Recreation Accessible Parks Grant	
REVENUES				
Ad valorem taxes	\$ 6,749,135	\$ -	\$ -	\$ 6,749,135
Other taxes and licenses	28,137	-	-	28,137
Unrestricted intergovernmental	4,274,243	-	-	4,274,243
Restricted intergovernmental	613,131	18,896	-	632,027
Permits and fees	33,108	-	-	33,108
Sales and services	1,303,450	-	-	1,303,450
Investment earnings	655,901	-	-	655,901
Miscellaneous	395,737	-	-	395,737
Total revenues	<u>14,052,842</u>	<u>18,896</u>	<u>-</u>	<u>14,071,738</u>
EXPENDITURES				
Current:				
General government	3,029,118	-	-	3,029,118
Public safety	5,374,356	29,642	-	5,403,998
Transportation	1,224,855	-	-	1,224,855
Environmental protection	582,009	-	-	582,009
Cultural and recreation	986,102	-	-	986,102
Public buildings	1,518,768	-	-	1,518,768
Debt service				
Principal retirement	558,663	-	-	558,663
Interest	55,204	-	-	55,204
Total expenditures	<u>13,329,075</u>	<u>29,642</u>	<u>-</u>	<u>13,358,717</u>
Excess (deficiency) of revenues over expenditures	<u>723,767</u>	<u>(10,746)</u>	<u>-</u>	<u>713,021</u>
OTHER FINANCING SOURCES (USES)				
Transfers from (to) other funds	214,024	12,184	123,792	350,000
Issuance of debt	378,000	-	-	378,000
Total other financing sources (uses)	<u>592,024</u>	<u>12,184</u>	<u>123,792</u>	<u>728,000</u>
Net change in fund balance	1,315,791	1,438	123,792	1,441,021
Fund balances, beginning	<u>16,662,918</u>	<u>29,512</u>	<u>-</u>	<u>16,692,430</u>
Fund balances, ending	<u>\$ 17,978,709</u>	<u>\$ 30,950</u>	<u>\$ 123,792</u>	<u>\$ 18,133,451</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, 2025

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

Net changes in fund balance - total government funds		\$ 1,441,021
<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	1,828,857	
Depreciation expense for governmental assets	(1,614,385)	
Street assets recorded from developers	1,507,476	
Loss on disposal of assets	<u>(842)</u>	1,721,106
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		634,896
Benefit payments paid and administrative expense for OPEB are not included on the Statement of Activities		85,029
<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	7,786	
Change in accrued interest on taxes receivable	(1,555)	
Change in unavailable revenue for garbage revenues	<u>1,360</u>	7,591
<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>		
Issuance of debt	(378,000)	
Principle payments on long-term debt	558,663	
Change in accrued interest payable	<u>851</u>	181,514
<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	(42,697)	
Pension expense - LEOSSA	(105,160)	
Pension expense - NCLGERS	(693,591)	
OPEB plan expense	<u>(192,749)</u>	(1,034,197)
Total changes in net position of governmental activities		<u>\$ 3,036,960</u>

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

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, 2025

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 6,412,037	\$ 6,704,037	\$ 6,749,135	\$ 45,098
Other taxes and licenses	25,978	25,978	28,137	2,159
Unrestricted intergovernmental	4,122,000	3,992,000	4,274,243	282,243
Restricted intergovernmental	620,060	612,060	613,131	1,071
Permits and fees	22,000	22,000	33,108	11,108
Sales and services	1,305,683	1,347,883	1,303,450	(44,433)
Investment earnings	655,174	655,174	655,901	727
Miscellaneous	246,777	226,777	395,737	168,960
Total revenues	<u>13,409,709</u>	<u>13,585,909</u>	<u>14,052,842</u>	<u>466,933</u>
Expenditures:				
Current:				
General government	3,615,364	3,978,874	3,029,118	949,756
Public safety	5,864,163	5,906,706	5,374,356	532,350
Transportation	1,782,937	2,439,286	1,224,855	1,214,431
Environmental protection	750,000	751,019	582,009	169,010
Cultural and recreation	1,032,264	1,248,478	986,102	262,376
Public buildings	855,614	1,998,492	1,518,768	479,724
Debt service				
Principal retirement	558,664	558,664	558,663	1
Interest	55,186	55,205	55,204	1
Total expenditures	<u>14,514,192</u>	<u>16,936,724</u>	<u>13,329,075</u>	<u>3,607,649</u>
Revenues over (under) expenditures	<u>(1,104,483)</u>	<u>(3,350,815)</u>	<u>723,767</u>	<u>4,074,582</u>
Other financing sources (uses):				
Insurance Proceeds				
Transfer from (to) other funds	260,000	16,024	214,024	198,000
Issuance of debt	458,000	378,000	378,000	-
Total other financing sources (uses)	<u>718,000</u>	<u>394,024</u>	<u>592,024</u>	<u>198,000</u>
Fund balance appropriated	386,483	2,956,791	-	(2,956,791)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,315,791</u>	<u>\$ 1,315,791</u>
Fund balances, beginning			<u>16,662,918</u>	
Funds balances, ending			<u>\$ 17,978,709</u>	

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

Town of Winterville, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2025

	Major Enterprise Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 6,909,048	\$ 1,651,724	\$ 971,430	\$ 4,719,145	\$ 14,251,347
Accounts receivable (net)	969,385	221,447	358,226	54,239	1,603,297
Inventories	1,155,468	45,078	72,426	-	1,272,972
Prepaid expenses	-	33,000	-	-	33,000
Restricted cash and cash equivalents	143,633	15,000	32,045	-	190,678
Total current assets	9,177,534	1,966,249	1,434,127	4,773,384	17,351,294
Noncurrent Assets:					
Capital Assets:					
Land and construction in progress	1,049,914	8,000	4,919,096	109,181	6,086,191
Other capital assets, net of depreciation	4,519,677	5,923,788	12,055,703	4,033,553	26,532,721
Capital assets	5,569,591	5,931,788	16,974,799	4,142,734	32,618,912
Total noncurrent assets	5,569,591	5,931,788	16,974,799	4,142,734	32,618,912
TOTAL ASSETS	14,747,125	7,898,037	18,408,926	8,916,118	49,970,206
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	321,737	171,593	85,797	21,449	600,576
OPEB deferrals	74,096	39,518	19,759	4,939	138,312
TOTAL DEFERRED OUTFLOWS OF RESOURCES	395,833	211,111	105,556	26,388	738,888
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	154,031	126,345	1,375,661	52,081	1,708,118
Net pension liability - current	123,240	65,728	32,000	8,000	228,968
Total OPEB liability - current	17,000	10,000	5,000	2,000	34,000
Compensated absences - current	24,187	10,974	1,735	8,803	45,699
Installment purchase payable - current	-	154,111	392,620	-	546,731
Liabilities payable from restricted assets:					
Customer deposits	143,633	15,000	32,045	-	190,678
Total current liabilities	462,091	382,158	1,839,061	70,884	2,754,194
Noncurrent liabilities:					
Net pension liability	505,770	269,744	135,736	33,934	945,184
Total OPEB liability	394,900	209,680	104,840	25,460	734,880
Installment purchase payable	-	1,001,369	6,529,479	-	7,530,848
Compensated absences	27,267	12,395	3,715	3,399	46,776
Total noncurrent liabilities	927,937	1,493,188	6,773,770	62,793	9,257,688
TOTAL LIABILITIES	1,390,028	1,875,346	8,612,831	133,677	12,011,882
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	14,350	7,653	3,827	957	26,787
OPEB deferrals	88,329	47,109	23,555	5,888	164,881
TOTAL DEFERRED INFLOWS OF RESOURCES	102,679	54,762	27,382	6,845	191,668
NET POSITION					
Net investment in capital assets	5,569,591	4,776,308	10,052,700	4,142,734	24,541,333
Unrestricted	8,080,660	1,402,732	(178,431)	4,659,250	13,964,211
TOTAL NET POSITION	\$ 13,650,251	\$ 6,179,040	\$ 9,874,269	\$ 8,801,984	\$ 38,505,544

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

Town of Winterville, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the fiscal year ended June 30, 2025

	Major Enterprise Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	
Operating revenues:					
Charges for services	\$ 7,501,558	\$ 1,743,228	\$ 3,338,360	\$ 545,429	\$ 13,128,575
Other operating revenues	5,610	24,449	-	-	30,059
Total operating revenues	7,507,168	1,767,677	3,338,360	545,429	13,158,634
Operating expenses:					
Operations	2,553,697	1,934,698	-	611,372	5,099,767
Electrical power purchases	4,416,126	-	-	-	4,416,126
Waste collection and treatment	-	-	2,541,769	-	2,541,769
Depreciation	389,348	309,495	623,339	143,402	1,465,584
Total operating expenses	7,359,171	2,244,193	3,165,108	754,774	13,523,246
Operating income (loss)	147,997	(476,516)	173,252	(209,345)	(364,612)
Non-operating revenues (expenses):					
Capital contributions	-	-	35,100	144,130	179,230
Investment earnings	254,040	60,017	65,984	58,934	438,975
Interest expense	(2,393)	(33,867)	(42,925)	-	(79,185)
Total non-operating revenues (expenses)	251,647	26,150	58,159	203,064	539,020
Income (loss) before transfers	399,644	(450,366)	231,411	(6,281)	174,408
Transfers from (to) other funds	(350,000)	-	-	0	(350,000)
Change in net position	49,644	(450,366)	231,411	(6,281)	(175,592)
Net position, beginning, previously reported	13,606,776	6,634,278	9,643,750	8,810,379	38,695,183
Restatement	(6,169)	(4,872)	(892)	(2,114)	(14,047)
Net position, beginning, as restated	13,600,607	6,629,406	9,642,858	8,808,265	38,681,136
Total net position, ending	\$ 13,650,251	\$ 6,179,040	\$ 9,874,269	\$ 8,801,984	\$ 38,505,544

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

Town of Winterville, North Carolina
Statement of Cash Flows
Proprietary Fund - Public Utilities Fund
For the Year Ended June 30, 2025

	Major Enterprise Fund				
	Electric Fund	Water Fund	Sewer Fund	Stormwater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 7,516,224	\$ 1,761,259	\$ 3,346,348	\$ 544,721	\$ 13,168,552
Cash paid for goods and services	(5,980,124)	(1,665,102)	(945,032)	(350,878)	(8,941,136)
Cash paid to or on behalf of employees for services	(874,649)	(374,848)	(187,833)	(216,463)	(1,653,793)
Net cash provided (used) by operating activities	<u>661,451</u>	<u>(278,691)</u>	<u>2,213,483</u>	<u>(22,620)</u>	<u>2,573,623</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds	(350,000)	-	-	-	(350,000)
Net cash provided (used) by non-capital financing activities	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(637,632)	(56,425)	(4,575,731)	(37,337)	(5,307,125)
Capital contributions - Federal, state, and local grants	-	-	35,100	144,130	179,230
Issuance of debt	-	-	2,937,689	-	2,937,689
Principal payments on long term debt	(95,719)	(150,370)	(371,339)	-	(617,428)
Interest paid on debt	(2,393)	(33,867)	(42,925)	-	(79,185)
Net cash provided (used) in capital and related financing activities	<u>(735,744)</u>	<u>(240,662)</u>	<u>(2,017,206)</u>	<u>106,793</u>	<u>(2,886,819)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	254,040	60,017	65,984	58,934	438,975
Net cash provided (used) by investing activities	<u>254,040</u>	<u>60,017</u>	<u>65,984</u>	<u>58,934</u>	<u>438,975</u>
Net increase (decrease) in cash and cash equivalents	<u>(170,253)</u>	<u>(459,336)</u>	<u>262,261</u>	<u>143,107</u>	<u>(224,221)</u>
Cash and cash equivalents, beginning	7,222,934	2,126,060	741,214	4,576,038	14,666,246
Cash and cash equivalents, ending	<u>\$ 7,052,681</u>	<u>\$ 1,666,724</u>	<u>\$ 1,003,475</u>	<u>\$ 4,719,145</u>	<u>\$ 14,442,025</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 147,997	\$ (476,516)	\$ 173,252	\$ (209,345)	\$ (364,612)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities :					
Depreciation	389,348	309,495	623,339	143,402	1,465,584
Changes in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable	14,511	6,349	(13,187)	(708)	6,965
(Increase) decrease in prepaid expenses	-	(33,000)	-	-	(33,000)
(Increase) decrease in inventories	(5,455)	(12,767)	21,175	-	2,953
(Increase) decrease in deferred outflows of resources - pensions	(28,881)	(70,427)	(30,091)	958	(128,441)
(Increase) decrease in deferred outflows of resources - OPEB	12,923	6,892	3,446	862	24,123
Increase (decrease) in net pension liability	129,126	154,226	69,166	4,134	356,652
Increase (decrease) in deferred inflows of resources - pensions	(13,331)	(1,074)	(1,099)	(1,205)	(16,709)
Increase (decrease) in deferred inflows of resources - OPEB	(884)	(472)	(236)	(59)	(1,651)
Increase (decrease) in accounts payable and accrued liabilities	1,062	(174,885)	1,357,426	34,331	1,217,934
Increase (decrease) in customer deposits	1,650	855	3,695	-	6,200
Increase (decrease) in compensated absences	2,982	7,085	3,823	4,316	18,206
Increase (decrease) in accrued OPEB liability	10,403	5,548	2,774	694	19,419
Total adjustments	<u>\$ 661,451</u>	<u>\$ (278,691)</u>	<u>\$ 2,213,483</u>	<u>\$ (22,620)</u>	<u>\$ 2,573,623</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Town of Winterville, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2025

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, construction, and 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 beer and wine tax, 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.

NC State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper, bankers' acceptances, and mutual fund shares when the mutual fund is certified by the Local Government Commission. The Town's investments are generally reported at fair value.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC- registered money market mutual fund that is currently certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM by S&P and AAA-mf by Moody's Investor Services and reported at fair value.

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, 2025, 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	\$ 958,792
Public Safety	147,273
OPEB reserve	150,000
Recreation	438,142
Total governmental activities	<u>1,694,207</u>
Business-type Activities	
Electric Fund	
Customer deposits	143,633
Water Fund	
Customer deposits	15,000
Sewer Fund	
Customer deposits	32,045
Total Business-type activities	<u>190,678</u>
Total Restricted Cash and Cash Investments	<u>\$ 1,884,885</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, 2024.

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 recognized as expenditures when purchased. If a significant amount of inventory is on hand at year end, expenditures are adjusted, and inventory 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 fund consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

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 financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. For the 205 fiscal year the Town has two items that meet this criterion, pension deferrals, OPEB deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category, property taxes receivable unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), and pension 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 two weeks' vacation leave per year. The vacation policy provides for a maximum of 240 hours to be carried from one year to the next. Any employee with more than 240 hours of accumulated leave during the last pay period of each calendar year shall have the excess accumulation removed so that only 240 hours are carried forward to the first pay period of the next calendar year. All excess vacation hours over 240 will be converted to the employee's sick leave account. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of 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. In accordance with GASB Statement No. 101 for the Town's government-wide funds, an expense and liability for sick leave is recognized using the "practical expedient approach" allowed by the Standard for the portion of sick leave expected to be used and paid by the Town.

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.

12. Accounting for Changes

The Town implemented GASB Statement No. 101, Compensated Absences in the current fiscal year. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this Statement required a prior period restatement to reduce government-wide net position by \$65,889 to record the estimated liability for sick leave at June 30, 2024.

The Town implemented GASB Statement No. 102, Certain Risk Disclosures. The disclosures provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition.

13. Recent Accounting Pronouncements

GASB Statement No. 103, Financial Reporting Model Improvements

In April 2024, the GASB issued GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

This Statement continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government’s financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund’s current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund’s current or future pricing policies, and (3) all other transfers.

This Statement requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Town is currently reviewing this statement to determine the effect on the financial statements.

GASB Statement No. 104, Disclosure of Certain Capital Assets

In September 2024, the GASB issued GASB Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

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, 2025, the Town’s deposits had a carrying amount of \$17,805,237 and a bank balance of \$18,373,321. Of the bank balance, \$250,000 was covered by federal depository insurance and \$17,555,237 was covered by collateral held under the Pooling Method. At June 30, 2025, the Town’s petty cash totaled \$800.

2. Investments

At June 30, 2025, 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	\$ 13,996,010	N/A	AAAm
		<u>\$ 13,996,010</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 a formal policy regarding credit risk that is addressed in their investment policy and 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, 2025.

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	\$ 109,456	\$ 109,456	\$ 1,489,575	\$ 1,708,487
Allowance for doubtful accounts	(23,332)	(23,332)	-	(46,664)
Total governmental activities	<u>\$ 86,124</u>	<u>\$ 86,124</u>	<u>\$ 1,489,575</u>	<u>\$ 1,661,823</u>
Business-type activities:				
Electric charges for service	\$ 979,566	\$ (54,887)	\$ 924,679	
Water charges for service	235,321	(13,874)	221,447	
Sewer charges for service	379,525	(21,299)	358,226	
Stormwater charges for service	56,713	(2,474)	54,239	
Total business-type activities	<u>\$ 1,651,125</u>	<u>\$ (92,534)</u>	<u>\$ 1,558,591</u>	

Due from other governments consists of the following:

Local option sales tax	1,013,487
Sales tax refund receivable	243,165
Utility franchise tax	93,138
Solid waste tax	1,996
Pitt County - property taxes motor vehicles	137,789
	<u>\$ 1,489,575</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	\$ 5,627,064	\$ 1,118,305	\$ -	\$ 6,745,369
Construction in progress	264,167	-	-	264,167
Total capital assets not being depreciated	<u>5,891,231</u>	<u>1,118,305</u>	<u>-</u>	<u>7,009,536</u>
Capital assets being depreciated:				
Buildings	7,493,641	194,322	-	7,687,963
Infrastructure	33,822,463	1,507,476	-	35,329,939
Improvements	5,409,796	247,631	-	5,657,427
Vehicles and motorized equipment	1,170,465	-	-	1,170,465
Other	2,887,955	268,599	48,209	3,108,345
Total capital assets being depreciated	<u>50,784,320</u>	<u>2,218,028</u>	<u>48,209</u>	<u>52,954,139</u>
Less accumulated depreciation for:				
Buildings	4,629,855	241,188	-	4,871,043
Infrastructure	21,937,231	802,581	-	22,739,812
Improvements	2,829,935	321,768	-	3,151,703
Vehicles and motorized equipment	969,150	102,403	-	1,071,553
Other	2,539,811	146,445	47,368	2,638,888
Total accumulated depreciation	<u>32,905,982</u>	<u>\$ 1,614,385</u>	<u>\$ 47,368</u>	<u>34,472,999</u>
Total capital assets being depreciated, net	<u>17,878,338</u>			<u>18,481,140</u>
Governmental activity capital assets, net	<u>\$ 23,769,569</u>			<u>\$ 25,490,676</u>

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

General government	\$ 335,456
Public safety	248,346
Transportation	923,971
Cultural and recreational	106,612
Total Depreciation Expense	<u>\$ 1,614,385</u>

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	\$ 7,774	\$ -	\$ 153,787
Construction in progress	663,980	483,711	251,564	896,127
Total capital assets not being depreciated	<u>809,993</u>	<u>491,485</u>	<u>251,564</u>	<u>1,049,914</u>
Capital assets being depreciated				
Distribution system	9,698,815	251,564	-	9,950,379
Buildings	320,655	-	-	320,655
Equipment	1,039,715	82,793	-	1,122,508
Vehicles	820,219	63,354	-	883,573
Total capital assets being depreciated	<u>11,879,404</u>	<u>397,711</u>	<u>-</u>	<u>12,277,115</u>
Less accumulated depreciation for:				
Distribution system	5,548,833	246,999	-	5,795,832
Buildings	286,201	3,657	-	289,858
Equipment	877,936	67,618	-	945,554
Vehicles	655,120	71,074	-	726,194
Total accumulated depreciation	<u>7,368,090</u>	<u>\$ 389,348</u>	<u>\$ -</u>	<u>7,757,438</u>
Total capital assets being depreciated, net	<u>4,511,314</u>			<u>4,519,677</u>
Electric Fund capital assets, net	<u>\$ 5,321,307</u>			<u>\$ 5,569,591</u>

	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	9,695,410	-	-	9,695,410
Equipment and vehicles	367,870	56,425	2,270	422,025
Total capital assets being depreciated	10,063,280	56,425	2,270	10,117,435
Less accumulated depreciation for:				
Water system, well, tank & distribution system	3,581,736	284,670	-	3,866,406
Equipment and vehicles	302,757	24,825	341	327,241
Total accumulated depreciation	3,884,493	\$ 309,495	\$ 341	4,193,647
Total capital assets being depreciated, net	6,178,787			5,923,788
Water Fund capital assets, net	\$ 6,186,787			\$ 5,931,788
Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 41,084	\$ -	\$ -	\$ 41,084
Construction in progress	549,893	4,328,119	-	4,878,012
Total capital assets not being depreciated	590,977	4,328,119	-	4,919,096
Capital assets being depreciated:				
Equipment and vehicles	746,553	247,612	-	994,165
Sewer system	17,238,368	-	-	17,238,368
Sewer treatment facility	261,600	-	-	261,600
Total capital assets being depreciated	18,246,521	247,612	-	18,494,133
Less accumulated depreciation for:				
Equipment and vehicles	547,180	81,755	-	628,935
Sewer system	5,030,859	517,036	-	5,547,895
Sewer treatment facility	237,052	24,548	-	261,600
Total accumulated depreciation	5,815,091	\$ 623,339	\$ -	6,438,430
Total capital assets being depreciated, net	12,431,430			12,055,703
Sewer Fund capital assets, net	\$ 13,022,407			\$ 16,974,799
Stormwater Fund				
Capital assets not being depreciated:				
Land	\$ 8,625	\$ -	\$ -	\$ 8,625
Construction in progress	69,406	31,150	-	100,556
Total capital assets not being depreciated	78,031	31,150	-	109,181
Capital assets being depreciated:				
Distribution	4,903,708	-	-	4,903,708
Equipment	91,410	6,187	-	97,597
Total capital assets being depreciated	4,995,118	6,187	-	5,001,305
Less accumulated depreciation for:				
Distribution	799,329	132,634	-	931,963
Equipment	25,021	10,768	-	35,789
Total accumulated depreciation	824,350	\$ 143,402	\$ -	967,752
Total capital assets being depreciated, net	4,170,768			4,033,553
Stormwater Fund capital assets, net	4,248,799			4,142,734
Business-type activities capital assets, net	\$ 28,779,300			\$ 32,618,912

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 ACFR 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, 2025, was 15.04% of compensation for law enforcement officers and 13.64% 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 \$821,595 for the year ended June 30, 2025.

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, 2025, the Town reported a liability of \$4,193,397 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2024, the Town's proportion was 0.0622%, which was an increase of 0.00246% from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the Town recognized pension expense of \$1,135,140. At June 30, 2025, 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	\$ 734,842	\$ 4,941
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	570,090	-
Changes in proportion and differences between Town's contributions and proportionate share of contributions	18,386	90,726
Town's contributions subsequent to the measurement date	821,595	-
Total	<u>\$ 2,144,913</u>	<u>\$ 95,667</u>

\$821,595 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, 2025.

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>	
2026	\$ 347,277
2027	803,377
2028	141,458
2029	(64,461)
	<u>\$ 1,227,651</u>

Actuarial Assumptions. The total pension liability in the December 31, 2023 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Protection	6.0%	4.3%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2024 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)	\$7,430,822	\$4,193,397	\$1,530,169

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, 2024, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Active plan members	<u>24</u>
Total	<u>27</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, 2023, valuation. The total pension liability in the December 31, 2023, 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	4.28 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, 2024.

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 \$88,853 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, 2025, the Town reported a total pension liability of \$787,069. The total pension liability was measured as of December 31, 2024, based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the Town recognized pension expense of \$105,160.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 189,777	\$ 9,998
Changes of assumptions	50,722	70,260
Benefit payments and administrative costs made subsequent to the measurement date	-	-
Total	<u>\$ 240,499</u>	<u>\$ 80,258</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, 2025.

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		
2026	\$	46,224
2027		43,474
2028		25,404
2029		29,470
2030		15,464
Thereaft		205
	<u>\$</u>	<u>160,241</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 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	\$ 845,475	\$ 787,069	\$ 733,810

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

	2025
Beginning balance	\$ 699,396
Service Cost	42,207
Interest on the total pension liability	27,117
Differences between expected and actual experience in the measurement of the total pension liability	77,103
Changes of assumptions or other inputs	(15,818)
Benefit payments	(42,936)
Ending balance of the total pension liability	<u>\$ 787,069</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, 2023 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	\$ 1,135,140	\$ 105,160	\$ 1,240,300
Pension liability	4,193,397	787,069	4,980,466
Proportionate share of the net pension liability	0.062230%	N/A	
Deferred of Outflows of Resources			
Differences between expected and actual experience	734,842	189,777	924,619
Changes of assumptions	-	50,722	50,722
Net difference between projected and actual earnings on plan investments	570,090	-	570,090
Changes in proportion and differences between contributions and proportionate share of contributions	18,386	-	18,386
Benefit payments and administrative costs paid subsequent to the measurement date	821,595	-	821,595
Deferred of Inflows of Resources			
Differences between expected and actual experience	4,941	9,998	14,939
Changes of assumptions	-	70,260	70,260
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	90,726	-	90,726

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, 2025 were \$311,577, which consisted of \$222,724 from the Town and \$88,853 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, 2025, the date of the latest actuarial valuation:

	Membership
Retirees receiving benefits	8
Active plan members	72
	<u>80</u>

Total OPEB Liability

The Town's total OPEB liability of \$2,745,999 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2024 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	3.65%
Discount rate	3.93%
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

	2025
Changes for the year	
Service cost	\$ 166,082
Interest	101,714
Difference between expected and actual	8,548
Changes in assumptions or other inputs	(93,890)
Net benefit payments and implicit subsidy credit	(113,101)
Net changes	69,353
Balance, beginning	2,676,646
Balance, ending	<u>\$ 2,745,999</u>

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, 2024 valuation were based on the results of an actuarial experience study for the period January 2015 through December 2019.

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 (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	Discount Rate Sensitivity		
	(2.93%)	(3.93%)	(4.93%)
Total OPEB liability	\$ 3,097,990	\$ 2,745,999	\$ 2,438,154

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	(3.93%)	1% Increase	
Total OPEB liability	\$ 2,339,574	\$ 2,745,999	\$ 3,244,277	

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

For the year ended June 30, 2025, the Town recognized OPEB expense of \$267,707. At June 30, 2025, 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	\$ 111,287	\$ 143,202
Changes of assumptions	382,687	445,662
Total	\$ 493,974	\$ 588,864

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:	
2026	\$ (604)
2027	8,240
2028	11,919
2029	11,919
2030	(8,964)
Thereafter	(117,400)
	\$ (94,890)

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	\$	554,988
4.20% note payable in annual installments of \$40,000, plus interest; final payment due April 2029, unsecured	\$	160,000
4.20% note payable in annual installments of \$22,667, plus interest; final payment due April 2027; unsecured	\$	45,333
4.20% note payable in annual installments of \$18,400, plus interest; final payment due April 2029; unsecured	\$	73,600
1.92% note payable in annual installments of \$94,117, including interest; final payment due January 2028; secured by vehicles and equipment	\$	271,844
1.92% note payable in annual installments of \$70,395, including interest; final payment due January 2028; secured by vehicles and equipment	\$	203,328
2.73% note payable in annual installments of \$85,714, plus interest; final payment due September 2025; secured by aerial ladder truck	\$	85,715
4.37% note payable in annual installments of \$8,334, plus interest; final payment due June 2028; secured by grounds and maintenance equipment.	\$	25,000
4.37% note payable in annual installments of \$41,333, plus interest; final payment due June 2028; secured by Town Christmas decorations.	\$	124,000
4.37% note payable in annual installments of \$57,000, plus interest; final payment due June 2028; secured by public works equipment.	\$	171,000
4.37% note payable in annual installments of \$19,333, plus interest; final payment due June 2028; secured by the taxpayers of the Town.	\$	58,000
	<u>\$</u>	<u>1,772,808</u>

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

Year Ending June 30	Principal	Interest	Total
2026	\$ 580,888	\$ 42,753	\$ 623,641
2027	502,097	26,992	529,089
2028	486,527	16,489	503,016
2029	203,296	6,757	210,053
Total	<u>\$ 1,772,808</u>	<u>\$ 92,991</u>	<u>\$ 1,865,799</u>

Serviced by the Proprietary Fund

Water

2.97% note payable in annual installments of \$154,632, including interest; final payment due August 2030, secured by real estate	\$	838,506
1.53% note payable in annual installments of \$24,383, including interest; final payment due May 2038, secured by real estate	\$	316,975

Sewer

1.66% note payable in annual installments of \$114,889, with final installment of \$115,842 including interest; final payment due May 2038, unsecured	\$	1,378,029
0% note payable in annual installments of \$161,152, with final installment of \$161,152; final payment due May 2041, unsecured	\$	2,209,234
2.97% note payable in annual installments of \$74,506, including interest; final payment due June 2029, secured by real estate	\$	277,147
4.20% note payable in annual installments of \$30,000, plus interest; final payment due April 2029, secured by real estate	\$	120,000
4.37% note payable in annual installments of \$50,600, plus interest; final payment due June 2030, secured by a crane truck.	\$	253,000
0% note payable in annual installments of \$419,863, with final installment of \$165,511; final payment due June 2033, secured by the taxpayers of the Town.	\$	2,684,689
	<u>\$</u>	<u>8,077,580</u>

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

Year Ending June 30	Principal	Interest	Total
2026	\$ 546,731	\$ 83,372	\$ 630,103
2027	972,415	61,674	1,034,089
2028	978,410	52,318	1,030,728
2029	984,583	42,785	1,027,368
2030	886,431	33,072	919,503
2031-2034	2,506,051	67,473	2,573,524
2035-2039	1,064,879	11,883	1,076,762
2040-2041	138,080	-	138,080
Total	<u>\$ 8,077,580</u>	<u>\$ 352,577</u>	<u>\$ 8,430,157</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	\$ 1,953,471	\$ 378,000	\$ 558,663	\$ 1,772,808	\$ 580,888
Compensated absences					
Vacation payable	367,954	11,362	-	379,316	55,000
Sick leave payable	51,842	608,782	577,447	83,177	83,177
OPEB liability	1,927,185	49,935	-	1,977,120	85,000
Total pension liability (LEOSSA)	699,396	87,673	-	787,069	45,000
Net pension liability (LGRS)	<u>3,139,067</u>	<u>-</u>	<u>119,822</u>	<u>3,019,245</u>	<u>600,000</u>
Total governmental activity long-term liabilities	<u>\$ 8,138,915</u>	<u>\$ 1,135,752</u>	<u>\$ 1,255,932</u>	<u>\$ 8,018,735</u>	<u>\$ 1,449,065</u>

Business-type activities:

<u>Electric Fund</u>					
Notes payable	\$ 95,719	\$ -	\$ 95,719	\$ -	\$ -
OPEB liability	401,497	10,403	-	411,900	17,000
Compensated absences					
Vacation payable	42,303	-	36	42,267	15,000
Sick leave payable	6,169	29,756	26,738	9,187	9,187
Net pension liability (LGERS)	499,884	129,126	-	629,010	123,240
<u>Electric Fund</u>					
long-term liabilities	\$ 1,045,572	\$ 169,285	\$ 122,493	\$ 1,092,364	\$ 164,427
<u>Water Fund</u>					
Notes payable	\$ 1,305,850	\$ -	\$ 150,370	\$ 1,155,480	\$ 154,111
OPEB liability	214,132	5,548	-	219,680	10,000
Compensated absences					
Vacation payable	11,412	5,983	-	17,395	5,000
Sick leave payable	4,872	15,591	14,489	5,974	5,974
Net pension liability (LGERS)	181,246	154,226	-	335,472	65,728
<u>Water Fund</u>					
long-term liabilities	\$ 1,717,512	\$ 181,348	\$ 164,859	\$ 1,734,001	\$ 240,813
<u>Sewer Fund</u>					
Notes payable	\$ 4,355,749	\$ 2,937,689	\$ 371,339	\$ 6,922,099	\$ 392,620
OPEB liability	107,066	2,774	-	109,840	5,000
Compensated absences					
Vacation payable	735	3,715	-	4,450	735
Sick leave payable	892	1,665	1,557	1,000	1,000
Net pension liability (LGERS)	98,570	69,166	-	167,736	32,000
<u>Sewer Fund</u>					
long-term liabilities	\$ 4,563,012	\$ 3,015,009	\$ 372,896	\$ 7,205,125	\$ 431,355
<u>Stormwater Fund</u>					
OPEB liability	\$ 26,766	\$ 694	\$ -	\$ 27,460	\$ 2,000
Compensated absences					
Vacation payable	5,772	3,399	-	9,171	5,772
Sick leave payable	2,114	9,049	8,132	3,031	3,031
Net pension liability (LGERS)	37,800	4,134	-	41,934	8,000
<u>Stormwater Fund</u>					
long-term liabilities	\$ 72,452	\$ 17,276	\$ 8,132	\$ 81,596	\$ 18,803
Total Business-type activity					
long-term liabilities	\$ 7,398,548	\$ 3,382,918	\$ 668,380	\$ 10,113,086	\$ 855,398

Compensated absences for governmental activities have typically been liquidated in the General Fund. At June 30, 2025, the Town of Winterville, North Carolina had a legal debt margin of \$118,488,916.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2025, consist of the following:

Transfers - Fund	From	To	Purpose
Governmental Funds	\$ 350,000	\$ -	
Electric Fund	-	(350,000)	Transfers are used to move unrestricted revenues
Water Fund	-	-	to finance various programs that the government
Sewer	-	-	must account for in other funds in accordance
Stormwater	-	-	with budgetary authorizations.
	\$ -	\$ (350,000)	

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	\$	17,978,709
Less:		
Inventories		15,916
Stabilization by State Statute		1,653,168
Streets		958,792
Public Safety		114,499
Recreation		314,350
Housing		89,305
OPEB		150,000
Subsequent year's expenditures		<u>2,257,229</u>
Remaining Fund Balance	\$	<u>12,425,450</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, 2025.

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, 2025 amounted to \$1,429,770.

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, 2025.

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, 2025, 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, 2025. 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, 2025, 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 November 14, 2025, the date on which the financial statements were available to be issued.

J. Change in Accounting Principle

The Town implemented Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, July 1, 2024. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result, the Town recognized an additional \$65,889 in compensated absences for sick leave as of June 30, 2024, resulting in a decrease in beginning net position of the same amount.

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>2025</u>	<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>
Town's proportion of the net pension liability (asset) (%)	0.06220%	0.05974%	0.06261%	0.06630%	0.07585%	0.06629%	0.06338%	0.05582%	0.06104%	0.05167%
Town's proportion of the net pension liability (asset) (\$)	\$ 4,193,397	\$ 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
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
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	80.51%	84.83%	81.84%	23.13%	59.93%	45.14%	44.73%	25.76%	41.26%	7.95%
Plan fiduciary net position as a percentage of the total pension lial	83.30%	82.49%	84.14%	95.51%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%

* 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>2025</u>	<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>
Contractually required contribution	\$ 821,595	\$ 686,667	\$ 578,598	\$ 499,268	\$ 455,240	\$ 404,281	\$ 318,718	\$ 259,810	\$ 233,090	\$ 213,693
Contributions in relation to the contractually required contribu	821,595	686,667	578,598	499,268	455,240	404,281	318,718	259,810	233,090	213,693
Contribution deficiency (excess)	<u>\$ -</u>									
Town's covered-employee payroll	\$ 5,871,425	\$ 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
Contributions as a percentage of covered-employee payroll	13.99%	13.18%	12.41%	11.57%	10.36%	8.94%	7.95%	7.73%	7.04%	6.81%

Town of Winterville, North Carolina
Statement of Net Position
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	699,396	477,176	534,730	497,338	341,970	287,987	469,135	451,356	455,255
Service Cost	42,207	38,374	42,852	48,066	31,728	25,789	23,264	20,521	23,410
Interest on the total pension liability	27,117	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	77,103	176,750	(12,180)	10,508	(11,346)	24,138	(190,519)	(14,777)	-
Changes of assumptions or other inputs	(15,818)	14,990	(90,088)	(15,907)	141,184	10,952	(11,478)	28,647	(10,381)
Benefit payments	(42,936)	(27,860)	(10,056)	(14,731)	(17,068)	(17,068)	(16,972)	(33,390)	(32,599)
Ending balance of the total pension liability	<u>\$ 787,069</u>	<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, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 787,069	\$ 699,396	\$ 477,176	\$ 534,730	\$ 497,338	\$ 341,970	\$ 287,987	\$ 469,135	\$ 451,356
Covered payroll	1,425,062	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	55.23%	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, 2025*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 166,082	\$ 169,207	\$ 222,086	\$ 220,084	\$ 162,824	\$ 83,481	\$ 86,037	\$ 92,496
Interest	101,714	97,469	66,870	57,933	73,952	64,715	58,643	50,267
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	8,548	(180,654)	17,782	16,354	(4,749)	202,846	259	705
Changes of assumptions	(93,890)	61,763	(501,602)	278,606	326,412	18,073	(54,650)	(92,201)
Benefit payments	(113,101)	(109,641)	(80,357)	(120,500)	(93,725)	(71,731)	(76,183)	(71,904)
Net change in total OPEB liability	69,353	38,144	(275,221)	452,477	464,714	297,384	14,106	(20,637)
Total OPEB liability - beginning	2,676,646	2,638,502	2,913,723	2,461,246	1,996,532	1,699,148	1,685,042	1,705,679
Total OPEB liability - ending	\$ 2,745,999	\$ 2,676,646	\$ 2,638,502	\$ 2,913,723	\$ 2,461,246	\$ 1,996,532	\$ 1,699,148	\$ 1,685,042
Town's covered-employee payroll	\$ 4,251,453	\$ 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 pay	64.59%	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



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, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes		\$ 6,722,675	
Interest		26,460	
Total revenue	\$ 6,704,037	6,749,135	\$ 45,098
Other taxes and licenses			
Vehicle tag fees		28,137	
Total	25,978	28,137	2,159
Unrestricted intergovernmental:			
Local option sales tax		3,764,466	
Payment in lieu of taxes - external sources		2,881	
Utilities and telecommunication sales tax		463,491	
Beer and wine tax		43,405	
Total	3,992,000	4,274,243	282,243
Restricted intergovernmental:			
Powell bill allocation		393,764	
Pitt County Schools grant		197,915	
Unauthorized substance tax		354	
DOT reimbursement		3,660	
Miscellaneous grant revenue		1,300	
Asset forfeiture		7,760	
Solid waste disposal tax		8,378	
Total	612,060	613,131	1,071
Permits and fees:			
Business registration fees		495	
Planning and zoning fees		32,613	
Total	22,000	33,108	11,108
Sales and services:			
Solid waste fees		796,932	
Community building/Rescue rent		8,825	
Fire inspections		16,148	
Building inspections		174,879	
Police event pay		24,703	
Greenville Utilities Commision		24,550	
User access fee		7,672	
Recreation		242,241	
Cemetery		7,500	
Total	1,347,883	1,303,450	(44,433)
Investment earnings	655,174	655,901	727

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, 2025

	Budget	Actual	Variance Positive (Negative)
Miscellaneous			
Rescue contribution		182,740	
Other		212,997	
Total	<u>226,777</u>	<u>395,737</u>	<u>168,960</u>
Total Revenues	<u>13,585,909</u>	<u>14,052,842</u>	<u>466,933</u>
Expenditures:			
General government:			
Governing Body:			
Salaries and benefits		75,586	
Other operating expenses		58,037	
Total	<u>164,658</u>	<u>133,623</u>	<u>31,035</u>
Administration:			
Salaries and employee benefits		654,771	
Other operating expenditures		1,152,873	
Reimbursement - proprietary funds		(989,922)	
Capital outlay		-	
Total	<u>1,104,158</u>	<u>817,722</u>	<u>286,436</u>
Finance:			
Salaries and employee benefits		746,381	
Other operating expenditures		166,105	
Total	<u>1,008,213</u>	<u>912,486</u>	<u>95,727</u>
Inspections:			
Salaries and employee benefits		303,047	
Other operating expenditures		46,938	
Total	<u>441,199</u>	<u>349,985</u>	<u>91,214</u>
Human Resources:			
Other operating expenditures		227,561	
Total	<u>266,536</u>	<u>227,561</u>	<u>38,975</u>
Information Technology:			
Other operating expenditures		536,379	
Reimbursement - proprietary funds		(218,365)	
Total	<u>688,881</u>	<u>318,014</u>	<u>370,867</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, 2025

	Budget	Actual	Variance Positive (Negative)
Planning:			
Salaries and employee benefits		259,231	
Maintenance and repairs		1,108	
Other operating expenditures		9,388	
Total	<u>305,229</u>	<u>269,727</u>	<u>35,502</u>
 Total general government	<u>3,978,874</u>	<u>3,029,118</u>	<u>949,756</u>
 Public safety			
Police:			
Salaries and employee benefits		2,381,460	
Maintenance and repairs		73,212	
Other operating expenditures		284,703	
Noncapitalized equipment < \$5000		7,998	
Capital outlay		-	
Total	<u>2,988,904</u>	<u>2,747,373</u>	<u>241,531</u>
 Public Safety (continued):			
Animal control:			
Other operating expenditures		5,127	
Total	<u>19,800</u>	<u>5,127</u>	<u>14,673</u>
 Fire:			
Salaries and employee benefits		1,841,863	
Maintenance and repairs		100,016	
Other operating expenditures		241,942	
Noncapitalized equipment < \$5000		114,845	
Capital outlay		130,100	
Total	<u>2,685,789</u>	<u>2,428,766</u>	<u>257,023</u>
 Rescue:			
Salaries and employee benefits		193,090	
Total	<u>212,213</u>	<u>193,090</u>	<u>19,123</u>
 Total public safety	<u>5,906,706</u>	<u>5,374,356</u>	<u>532,350</u>
 Transportation:			
Salaries and employee benefits		704,087	
Maintenance and repairs		71,345	
Other operating expenditures		261,154	
Powell Bill		42,238	
Contracted services		34,491	
Reimbursement - proprietary funds		(160,133)	
Capital outlay		271,673	
Total transportation	<u>2,439,286</u>	<u>1,224,855</u>	<u>1,214,431</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Environmental Protection:			
Sanitation:			
Other operating expenditures		582,009	
Total environmental protection	<u>751,019</u>	<u>582,009</u>	<u>169,010</u>
Culture and recreation:			
Salaries and employee benefits		518,047	
Maintenance and repairs		41,254	
Other operating expenditures		381,408	
Noncapitalized equipment <\$5000		7,793	
Capital outlay		37,600	
Total culture and recreation	<u>1,248,478</u>	<u>986,102</u>	<u>262,376</u>
Public Buildings:			
Maintenance and repairs		120,729	
Other operating repairs		353,770	
Reimbursement - proprietary funds		(87,346)	
Capital outlay		1,131,615	
Total public buildings	<u>1,998,492</u>	<u>1,518,768</u>	<u>479,724</u>
Debt service:			
Principal retirement		558,663	
Interest		55,204	
Total debt service	<u>613,869</u>	<u>613,867</u>	<u>2</u>
Total expenditures	<u>16,936,724</u>	<u>13,329,075</u>	<u>3,607,649</u>
Revenue over (under) expenditures	<u>(3,350,815)</u>	<u>723,767</u>	<u>4,074,582</u>
Other financing sources/(uses):			
Transfers from (to) other funds		214,024	
Issuance of debt		378,000	
Total other financing sources (uses)	<u>394,024</u>	<u>592,024</u>	<u>198,000</u>
Fund balance, appropriated	2,956,791	-	(2,956,791)
Net change in fund balance	<u>\$ -</u>	1,315,791	<u>\$ 1,315,791</u>
Fund balances, beginning		16,662,918	
Fund balances, ending		<u>\$ 17,978,709</u>	

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, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 133,988	\$ -	\$ 18,896	\$ 18,896	\$ (115,092)
Total revenues	<u>133,988</u>	<u>-</u>	<u>18,896</u>	<u>18,896</u>	<u>(115,092)</u>
Expenditures:					
Operations, construction, admin	167,988	3,985	29,642	33,627	134,361
Total expenditures:	<u>167,988</u>	<u>3,985</u>	<u>29,642</u>	<u>33,627</u>	<u>134,361</u>
Other financing sources:					
Transfers from (to) other funds	34,000	33,497	12,184	45,681	11,681
Total other financing sources	<u>34,000</u>	<u>33,497</u>	<u>12,184</u>	<u>45,681</u>	<u>11,681</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 29,512</u>	<u>1,438</u>	<u>\$ 30,950</u>	<u>\$ 30,950</u>
Fund balance, beginning			<u>29,512</u>		
Fund balance, ending			<u>\$ 30,950</u>		

Town of Winterville, North Carolina
Capital Projects Fund - Recreation Accessible Parks Grant
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2025

	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:					
Operations, construction, admin	123,792	-	-	-	123,792
Total expenditures:	<u>123,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,792</u>
Other financing sources:					
Transfers from (to) other funds	123,792	-	123,792	123,792	-
Total other financing sources	<u>123,792</u>	<u>-</u>	<u>123,792</u>	<u>123,792</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>123,792</u>	<u>\$ 123,792</u>	<u>\$ 123,792</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 123,792</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 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, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating income:			
Sale of electricity		\$ 7,301,316	
Connection fees		125,259	
Service Charges		74,983	
Miscellaneous revenue		5,610	
Total operating revenues	<u>7,431,491</u>	<u>7,507,168</u>	<u>\$ 75,677</u>
Non-operating revenue:			
Investment earnings		254,040	
Total non-operating revenue	<u>267,760</u>	<u>254,040</u>	<u>(13,720)</u>
Total Revenues	<u>7,699,251</u>	<u>7,761,208</u>	<u>61,957</u>
Expenditures:			
Operating			
Electrical power purchases		4,416,126	
Salaries and employee benefits		933,119	
Supplies		193,143	
Repairs and maintenance		88,931	
Contracted services		107,894	
Sales tax		473,014	
Other departmental expenses		120,167	
Noncapitalized equipment < \$5,000		185,053	
Reimbursement to general fund		471,038	
Reimbursement from water and sewer fund		(131,000)	
Total operating expenditures	<u>7,536,898</u>	<u>6,857,485</u>	<u>679,413</u>
Debt service:			
Principal		95,719	
Interest		2,393	
Total debt service	<u>98,112</u>	<u>98,112</u>	<u>-</u>
Capital outlay			
Capital outlay		637,632	
Total capital outlay	<u>1,277,052</u>	<u>637,632</u>	<u>639,420</u>
Total expenditures	<u>8,912,062</u>	<u>7,593,229</u>	<u>1,318,833</u>
Revenues over expenditures	(1,212,811)	167,979	1,380,790
Other financing sources (uses):			
Transfers from (to) other funds		(350,000)	
Total other financing sources (uses)	<u>(785,038)</u>	<u>(350,000)</u>	<u>435,038</u>
Fund balance appropriated	<u>1,997,849</u>	<u>-</u>	<u>(1,997,849)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(182,021)</u>	<u>\$ (182,021)</u>
Reconciling items:			
Capital Outlay		637,632	
Depreciation		(389,348)	
Principal retirement		95,719	
(Increase) decrease in accrued vacation pay		36	
(Increase) decrease in sick leave payable		(3,018)	
(Increase) decrease in net pension liability		(129,126)	
Increase (decrease) in deferred outflows of resources - pension		28,881	
(Increase) decrease in deferred inflows of resources - pension		13,331	
(Increase) decrease in other postemployment benefits		(10,403)	
Increase (decrease) in deferred outflows of resources - OPEB		(12,923)	
(Increase) decrease in deferred inflows of resources - OPEB		884	
Total reconciling items		<u>231,665</u>	
Change in net position		<u>\$ 49,644</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating income:			
Water sales		\$ 1,592,770	
Tapping fees		19,550	
System development fees		130,909	
Other operating revenues		24,449	
Total operating revenues	<u>\$ 1,771,153</u>	<u>1,767,678</u>	<u>\$ (3,475)</u>
Non-operating revenue:			
Investment earnings		60,017	
Total non-operating revenue	<u>70,180</u>	<u>60,017</u>	<u>(10,163)</u>
 Total Revenues	 <u>1,841,333</u>	 <u>1,827,695</u>	 <u>(13,638)</u>
Expenditures:			
Operating			
Salaries and employee benefits		476,626	
Purchases for resale		620,824	
Supplies		39,785	
Repairs and maintenance		32,155	
Contracted services		184,213	
Other departmental expenses		70,850	
Reimbursement to general fund		413,568	
Reimbursement to electric fund		65,500	
Reimbursement from sewer fund		(70,600)	
Total operating expenditures	<u>1,864,372</u>	<u>1,832,921</u>	<u>31,451</u>
Debt service:			
Principal		150,370	
Interest		33,867	
Total debt service	<u>217,238</u>	<u>184,237</u>	<u>33,001</u>
Capital outlay:			
Capital outlay		56,425	
Total capital outlay	<u>82,712</u>	<u>56,425</u>	<u>26,287</u>
 Total expenditures	 <u>2,164,322</u>	 <u>2,073,583</u>	 <u>90,739</u>
Revenues over expenditures	(322,989)	(245,888)	77,101

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, 2025

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfers from (to) other funds		-	
Total other financing sources (uses)	(374,468)	-	374,468
Fund balance appropriated	697,457	-	(697,457)
Revenues and appropriated fund balance over (under) expenditures	\$ -	(245,888)	\$ (245,888)
Reconciling items:			
Capital Outlay		56,425	
Depreciation		(309,495)	
Principal retirement		150,370	
(Increase) decrease in accrued vacation pay		(5,983)	
(Increase) decrease in sick leave payable		(1,102)	
(Increase) decrease in net pension liability		(154,226)	
Increase (decrease) in deferred outflows of resources - pension		70,427	
(Increase) decrease in deferred inflows of resources - pension		1,074	
(Increase) decrease in other postemployment benefits		(5,548)	
Increase (decrease) in deferred outflows of resources - OPEB		(6,892)	
(Increase) decrease in deferred inflows of resources - OPEB		472	
Total reconciling items		(204,478)	
Change in net position		\$ (450,366)	

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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating income:			
Sewer fees		\$ 3,023,566	
Tapping fees		4,681	
System development fees		310,113	
Total operating revenues	<u>\$ 3,225,194</u>	<u>3,338,360</u>	<u>\$ 113,166</u>
Non-operating revenue:			
Investment earnings		65,984	
Capital contributions		35,100	
Total non-operating revenue	<u>78,317</u>	<u>101,084</u>	<u>22,767</u>
Total Revenues	<u>3,303,511</u>	<u>3,439,444</u>	<u>135,933</u>
Expenditures:			
Operating			
Salaries and employee benefits		235,616	
Supplies		68,712	
Repairs and maintenance		75,627	
Contracted services		24,154	
CMSD expense		1,429,770	
Other departmental expenses		115,062	
Reimbursement to general fund		408,945	
Reimbursement to electric fund		65,500	
Reimbursement to water fund		70,600	
Total operating expenditures	<u>2,500,001</u>	<u>2,493,986</u>	<u>6,015</u>
Debt service:			
Principal		371,339	
Interest		42,925	
Total debt service	<u>414,264</u>	<u>414,264</u>	<u>-</u>
Capital outlay:			
Capital outlay		247,612	
Total capital outlay	<u>273,000</u>	<u>247,612</u>	<u>25,388</u>
Total expenditures	<u>3,187,265</u>	<u>3,155,862</u>	<u>31,403</u>
Revenues over expenditures	116,246	283,582	167,336
Other financing sources (uses):			
Issuance of debt		253,000	
Transfer		(177,945)	
Total other financings sources (uses)	<u>(490,991)</u>	<u>75,055</u>	<u>566,046</u>
Fund balance appropriated	<u>374,745</u>	<u>-</u>	<u>(374,745)</u>
Net change in fund balance	<u>\$ -</u>	<u>358,637</u>	<u>\$ 358,637</u>
Reconciling items:			
Capital Outlay		247,612	
Depreciation		(623,339)	
Transfers from other funds		177,945	
Issuance of debt		(253,000)	
Principal retirement		371,339	
(Increase) decrease in accrued vacation pay		(3,715)	
(Increase) decrease in sick leave payable		(108)	
(Increase) decrease in net pension liability		(69,166)	
Increase (decrease) in deferred outflows of resources - pension		30,091	
(Increase) decrease in deferred inflows of resources - pension		1,099	
(Increase) decrease in other postemployment benefits		(2,774)	
Increase (decrease) in deferred outflows of resources - OPEB		(3,446)	
(Increase) decrease in deferred inflows of resources - OPEB		236	
Total reconciling items		<u>(127,226)</u>	
Change in net position		<u>\$ 231,411</u>	

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, 2025

	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:					
Engineering	1,074,100	527,152	181,573	708,725	365,375
Dues and subscriptions	125	123	-	123	2
Contingency	134,000	-	-	-	134,000
Advertising	375	371	-	371	4
Capital improvements	20,920	20,917	-	20,917	3
Contracted services	177,945	-	177,945	177,945	-
Construction	7,716,212	1,330	3,968,601	3,969,931	3,746,281
Total capital outlay	<u>9,123,677</u>	<u>549,893</u>	<u>4,328,119</u>	<u>4,878,012</u>	<u>4,245,665</u>
Revenues over (under) expenditures	<u>(8,623,677)</u>	<u>(549,893)</u>	<u>(4,328,119)</u>	<u>(4,878,012)</u>	<u>3,745,665</u>
Other financing sources:					
Transfers from (to) other funds	217,445	-	177,945	177,945	(39,500)
Issuance of debt	8,406,232	-	2,684,689	2,684,689	(5,721,543)
Total other financing sources	<u>8,623,677</u>	<u>-</u>	<u>2,862,634</u>	<u>2,862,634</u>	<u>(5,761,043)</u>
Expenditures (over) under other financing sources	<u>\$ -</u>	<u>\$ (549,893)</u>	<u>\$ (1,465,485)</u>	<u>\$ (2,015,378)</u>	<u>\$ (2,015,378)</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating income:			
Stormwater fees		\$ 545,429	
Total charges for services	<u>\$ 530,000</u>	<u>545,429</u>	<u>\$ 15,429</u>
Non-operating revenue:			
Investment earnings		58,934	
Capital contributions		144,130	
Total non-operating revenue	<u>54,000</u>	<u>203,064</u>	<u>149,064</u>
Total Revenues	<u>584,000</u>	<u>748,493</u>	<u>164,493</u>
Expenditures:			
Operating			
Salaries and employee benefits		226,163	
Contracted services		49,450	
Supplies		8,301	
Repairs and maintenance		143,132	
Drainage district		12,411	
Expense reimbursement to general fund		162,215	
Total operating expenditures	<u>686,583</u>	<u>601,672</u>	<u>84,911</u>
Capital outlay:			
Capital outlay		6,187	
Total capital outlay	<u>10,000</u>	<u>6,187</u>	<u>3,813</u>
Total expenditures	<u>696,583</u>	<u>607,859</u>	<u>88,724</u>
Revenues over expenditures	(112,583)	140,634	253,217
Other financing sources (uses):			
Transfer		-	
Installment loan proceeds		-	
Total other financings sources (uses)	<u>0</u>	<u>-</u>	<u>-</u>
Fund balance appropriated	<u>274,798</u>	<u>-</u>	<u>(274,798)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ 162,215</u>	140,634	<u>\$ (21,581)</u>
Reconciling items:			
Capital Outlay		6,187	
Depreciation		(143,402)	
(Increase) decrease in accrued vacation pay		(3,399)	
(Increase) decrease in sick leave payable		(917)	
(Increase) decrease in net pension liability		(4,134)	
Increase (decrease) in deferred outflows of resources - pension		(958)	
(Increase) decrease in deferred inflows of resources - pension		1,205	
(Increase) decrease in other postemployment benefits		(694)	
Increase (decrease) in deferred outflows of resources - OPEB		(862)	
(Increase) decrease in deferred inflows of resources - OPEB		59	
Total reconciling items		<u>(146,915)</u>	
Change in net position		<u>\$ (6,281)</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, 2025

	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	31,150	89,356	3,075,628
Total expenditures:	<u>3,164,984</u>	<u>58,206</u>	<u>31,150</u>	<u>89,356</u>	<u>3,075,628</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	-	3,106,778	(31,150)	3,075,628	3,075,628
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,106,778</u>	<u>\$ (31,150)</u>	<u>\$ 3,075,628</u>	<u>\$ 3,075,628</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
Schedule of Ad Valorem Taxes Receivable
For the Fiscal Year Ended June 30, 2025**

Fiscal Year	Uncollected Balance July 1, 2024	Additions	Collections And Credits	Uncollected Balance June 30, 2025
	\$ -	\$ 6,764,722	6,717,649	\$ 47,073
2024-2025	29,156	-	15,566	13,590
2023-2024	22,667	-	10,016	12,651
2022-2023	14,156	-	6,488	7,668
2021-2022	12,171	-	4,635	7,536
2020-2021	6,162	-	132	6,030
2019-2020	4,516	-	271	4,245
2018-2019	3,960	-	84	3,876
2017-2018	2,788	-	102	2,686
2016-2017	3,904	-	(197)	4,101
2015-2016	3,117	-	3,117	-
	\$ 102,597	\$ 6,764,722	\$ 6,757,863	109,456
				(23,332)
				\$ 86,124
			Reconciliation with revenues:	
			Ad valorem taxes - General Fund	\$ 6,749,135
			Reconciling items:	
			Interest collected	(26,460)
			Taxes written off	35,188
			Subtotal	8,728
			Total ad valorem collections	\$ 6,757,863

Town of Winterville, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2025

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding registered motor vehicles	Registered motor vehicles
Original levy:					
Property taxed at current rate	\$ 1,504,650,889	0.450	\$ 6,770,929	\$ 5,989,652	\$ 781,277
Discoveries	1,576,222	0.450	7,093	7,093	-
Releases	<u>(2,955,556)</u>	0.450	<u>(13,300)</u>	<u>(13,300)</u>	-
Net levy	<u>\$ 1,503,271,556</u>		6,764,722	5,983,445	781,277
Uncollected taxes at June 30, 2025			<u>(47,073)</u>	<u>(47,073)</u>	-
Current year's taxes collected			<u>\$ 6,717,649</u>	<u>\$ 5,936,372</u>	<u>\$ 781,277</u>
Current levy collection percentage			<u>99.30%</u>	<u>99.21%</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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 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	\$ 23,717,868
Restricted	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	3,040,809
Unrestricted	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	10,506,865
Total governmental activities net position	\$ 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	\$ 37,265,542
Business-type activities										
Net investment in capital assets	\$ 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	\$ 24,541,333
Restricted	-	-	-	-	-	-	-	17,690	-	-
Unrestricted	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	13,964,211
Total Business-type activities net position	\$ 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	\$ 38,505,544
Primary government										
Net investment in capital assets	\$ 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	\$ 48,259,201
Restricted	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	3,040,809
Unrestricted	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	24,471,076
Total primary government net position	\$ 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	\$ 75,771,086

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

Table 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 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	\$ 3,460,973
Public Safety	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	5,658,975
Transportation	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	1,925,112
Environmental protection	460,797	479,991	496,618	515,105	532,194	549,593	578,678	663,415	676,573	582,009
Cultural and recreational	806,502	885,272	955,743	1,204,419	1,081,788	1,048,594	1,183,263	1,260,849	921,771	1,068,075
Public Buildings	-	-	-	-	-	-	-	-	466,626	1,606,114
Economic and physical development	32,400	32,400	25,895	20,000	-	-	-	-	-	-
Interest on long-term debt	114,018	99,326	87,402	100,278	91,181	84,760	80,641	63,137	52,160	54,353
Reimbursements from business type activities	-	-	-	-	-	-	-	-	-	-
Total governmental activities expense	\$ 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	\$ 14,355,611
Business-type Activities:										
Electric	\$ 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	\$ 7,021,526
Water	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	1,869,592
Sewer	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	2,662,988
Stormwater	142,812	177,186	104,125	207,907	240,969	308,776	311,189	363,302	583,797	592,559
Total business-type activities expense	\$ 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	\$ 12,146,665
Total primary government expenses	\$ 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	\$ 26,502,276
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 198,716	\$ 206,482	\$ 186,823	\$ 196,356	\$ 196,725	\$ 196,063	\$ 235,915	\$ 351,201	\$ 51,394	\$ 61,245
Public Safety	22,975	30,445	81,915	92,208	77,969	88,235	81,421	59,281	199,955	23,908
Transportation	3,660	3,660	-	-	-	-	-	-	-	-
Environmental protection	508,020	521,196	564,434	579,839	584,810	575,718	584,933	590,509	617,498	806,670
Cultural and recreational	148,514	160,042	132,002	128,206	105,542	63,414	183,414	128,497	135,701	266,238
Public Buildings	-	-	-	-	-	-	-	-	190,462	174,879
Operating grants and contributions										
General government	5,000	28,425	308	2,878	2,274	67,175	-	-	10,000	1,300
Public Safety	6,923	43,138	147,146	249,594	890,387	734,876	397,094	3,513,771	207,048	220,825
Transportation	266,040	261,061	262,732	307,271	326,125	317,180	384,299	312,714	346,022	393,764
Environmental protection	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	18,896
Transportation	-	-	384,852	484,353	1,135,981	1,661,369	751,843	1,690,891	-	-
Total governmental activities program revenues	\$ 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	\$ 1,967,725
Charges for services										
Electric Fund	\$ 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	\$ 7,507,168

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Fund	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	1,767,677
Sewer Fund	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	3,338,360
Stormwater Fund	172,337	191,172	221,941	492,572	494,246	509,381	506,375	515,299	526,593	545,429
Operating grants and contributions	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	179,230
Total business-type activities program revenues	\$ 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	\$ 13,337,864
Total primary government program revenues	\$ 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	\$ 15,305,589
Net Revenue (Expense):										
Governmental activities	\$ (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)	\$ (12,387,886)
Business-type activities	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	1,191,199
Total primary government net expense	\$ (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)	\$ (11,196,687)
General revenues and other changes in net position										
Governmental activities:										
Property Taxes	\$ 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	\$ 6,755,366
Local option sales tax	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	3,764,466
Grants and contributions not restricted to specific programs	-	-	415,169	420,334	404,567	394,549	411,585	433,784	-	-
Other taxes and licenses	30,878	30,821	23,568	25,458	25,251	26,961	26,535	27,030	463,055	509,777
Investment Earnings	9,816	9,160	52,769	166,081	102,824	643	14,519	341,481	715,026	655,901
Miscellaneous	630,471	1,040,275	247,608	286,727	238,474	216,625	192,666	191,672	340,535	1,933,570
Transfers	215,444	290,000	311,000	375,578	506,456	650,000	650,000	(2,514,984)	650,000	1,805,766
Total governmental activities	\$ 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	\$ 15,424,846
Business-type activity:										
Investment earnings, net of market adjustment	\$ 8,801	\$ 10,607	\$ 52,377	\$ 167,888	\$ 124,592	\$ 7,004	\$ 11,197	\$ 260,073	\$ 483,605	\$ 438,975
Miscellaneous	-	-	-	-	-	-	14,750	14,750	1,569,789	-
Transfers	(215,444)	(290,000)	(311,000)	(375,578)	(506,456)	(650,000)	(650,000)	2,514,984	(650,000)	(1,805,766)
Total business-type activity	\$ (206,643)	\$ (279,393)	\$ (258,623)	\$ (207,690)	\$ (381,864)	\$ (642,996)	\$ (624,053)	\$ 2,789,807	\$ 1,403,394	\$ (1,366,791)
Total primary government	\$ 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	\$ 14,058,055
Change in net position										
Governmental activities	\$ 666,890	\$ 1,388,167	\$ 691,487	\$ (248,123)	\$ 599,273	\$ 1,966,548	\$ 2,487,038	\$ 2,533,613	\$ (241,762)	\$ 3,036,960
Business-type activities	535,437	930,801	901,132	1,778,264	1,996,429	1,860,044	215,927	4,212,644	2,689,786	(175,592)
Total primary government	\$ 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	\$ 2,861,368

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 33,436	\$ 21,023	\$ 10,323	\$ 12,036	\$ 11,331	\$ 40,831	\$ 22,663	\$ 14,989	\$ 23,347	\$ 15,916
Restricted	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	3,040,809
Committed	27,600	15,200	9,305	9,305	54,305	99,305	144,305	169,305	194,305	239,305
Assigned	-	669,683	1,296,299	418,406	130,021	469,544	507,102	612,972	386,483	2,257,229
Unassigned	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	12,425,450
Total General Fund	\$ 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	\$ 17,978,709
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	154,742
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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
Ad valorem taxes	\$ 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	\$ 6,749,135
Other taxes and licenses	30,878	30,821	23,568	25,458	25,251	26,961	26,535	27,030	27,198	28,137
Unrestricted intergovernmental	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	4,274,243
Restricted intergovernmental	285,844	341,621	416,410	571,829	1,252,460	1,129,987	787,449	663,613	701,258	613,131
Permits and fees	9,182	12,648	23,266	11,919	14,862	20,797	23,275	27,245	24,196	33,108
Sales and services	868,743	902,904	940,192	983,118	944,257	908,855	1,068,969	1,107,013	1,063,563	1,303,450
Investment earnings	11,574	10,129	52,769	166,081	102,824	643	14,519	341,481	715,026	655,901
Miscellaneous	54,054	61,592	247,608	173,921	253,224	181,547	186,916	191,672	340,535	395,737
TOTAL REVENUES	\$ 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	\$ 14,052,842
EXPENDITURES										
General Government	\$ 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	\$ 4,237,405
Public Safety	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	5,374,356
Transportation	642,878	1,057,009	1,059,211	1,040,419	819,554	947,405	849,303	832,795	1,598,729	1,384,988
Environmental Protection	467,635	479,991	496,618	515,105	532,194	549,593	578,678	663,415	699,107	582,009
Cultural and Recreation	872,316	948,222	1,451,597	1,406,972	1,000,797	924,954	1,164,448	1,431,243	769,688	986,102
Public Buildings	-	-	-	-	-	-	-	-	-	1,606,114
Riembursement - Proprietary Funds	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal retirement	497,214	502,244	522,403	546,527	610,665	586,075	723,182	564,478	593,844	558,663
Interest and Fees	117,024	101,606	89,818	78,978	97,031	81,605	87,410	68,055	56,530	55,204
Capital Outlay	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 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	\$ 14,784,841
REVENUES OVER (UNDER) EXPENDITURES	\$ 328,688	\$ 364,677	\$ 126,406	\$ (1,105,279)	\$ (1,168,491)	\$ 827,678	\$ 1,311,318	\$ 1,332,773	\$ 221,062	\$ (731,999)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OTHER FINANCING SOURCES (USES)										
Long Term Debt Issued	\$ -	\$ -	\$ 86,500	\$ 1,113,171	\$ -	\$ 1,094,000	\$ -	\$ -	\$ 360,000	\$ 378,000
Transfers in	215,444	290,000	311,000	375,578	527,200	650,000	650,000	3,814,984	650,000	1,669,790
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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total other financing sources (uses)	\$ 225,485	\$ 311,472	\$ 397,500	\$ 1,547,349	\$ 506,456	\$ 1,821,075	\$ 650,000	\$ 650,000	\$ 1,010,000	\$ 2,047,790
Net Change in Fund Balances	\$ 554,173	\$ 676,149	\$ 523,906	\$ 442,070	\$ (662,035)	\$ 2,648,753	\$ 1,961,318	\$ 1,982,773	\$ 1,231,062	\$ 1,315,791
Debt Services as a percentage of noncapital expenditures	10%	9%	9%	7%	7%	8%	10%	7%	6%	5%

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
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
2025	6,718,396	3,737,357	457,313	43,405	26,460	10,982,931

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

Fiscal Year	Real Property	Personal Property	Total Taxes Levied For Fiscal Year	Property Valuation	Direct Tax Rate
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
2025	5,983,445	781,277	6,764,722	1,503,271,556	0.450

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, 2024. 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	
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
2025	0.450	0.450	0.0595	0.0870	0.5663	1.1628

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 2025			Fiscal Year 2015		
		Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Eleven at Main Investments LLC	Developer	\$ 15,347,619	1	1.02%			
The Roberts Co Fabrication Services Inc	Manufacturer	14,452,498	2	0.96%	7,446,611	1	
Winterville Commons, LLC	Developer	13,980,051	3	0.93%			
Sam's Real Estate Business Trust	Retail	8,031,915	4	0.53%	6,193,197	2	0.83%
J & S Firetower Property LLC	Warehouse	6,721,966	5	0.45%	2,792,150	6	0.38%
Aquatic Holdings LLC	Financial Institution	5,878,987	6	0.39%			0.00%
Lowes Foods LLC	Retail	5,251,405	7	0.35%			0.00%
Winter Village LLC	Retail	5,222,640	8	0.35%	3,298,085	4	
Cregger Capital Investments Inc	Manufacturer	4,569,704	9	0.30%			
Winterville Machine Works, Inc	Manufacturer	4,259,550	10	0.28%	5,976,796	3	
Regional Acceptance Corp.	Financial Institution				-		
Wintergreen Commercial Park LLC	Developer				2,415,922	7	0.33%
State Employees Credit Union	Financial Institution				2,958,769	5	0.40%
James Hudson	Developer				2,222,020	9	0.30%
Cole WG Greenville	Developer				2,066,672	10	0.28%
Barfield G Properties	Developer				2,359,041	8	0.32%
Totals		\$ 83,716,335		5.57%	\$ 37,729,263		5.08%
Real Property Valuation		\$ 1,503,271,556			\$ 743,185,053		

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>
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%
2025	6,770,929	(6,207)	6,764,722	6,717,649	99.21%	-	6,717,649	99.30%

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
	Leases	Installment Purchases	General Obligation Bonds	Notes Payable	Leases			
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
2025	-	1,772,808	-	8,077,579	-	9,850,387	2.22%	865

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
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%	-
2025	-	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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit, 8% of Assessed Value	\$ 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	\$ 120,261,724
Total net debt applicable to limit	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	1,772,808
Legal debt Margin	\$ 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	\$ 118,488,916
Total net debt applicable to the limit as a percentage of debt limit	14.73%	12.68%	4.78%	5.44%	4.35%	4.58%	3.51%	2.71%	1.91%	1.47%

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	\$ 1,503,271,556
Debt Limit (8% of assessed value)	75,926,855	78,371,705	80,718,349	83,673,044	120,261,724
Debt applicable to limit:					
General Obligation Bonds	-	-	-	-	-
Installment Notes Payable	3,474,975	2,751,793	2,187,315	1,593,471	1,772,808
Legal Debt Margin	\$ 72,451,880	\$ 75,619,912	\$ 78,531,034	\$ 82,079,573	\$ 118,488,916

Town of Winterville, North Carolina
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2025
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	\$ 107,502,349	6.3%	\$ 6,742,344
Subtotal, overlapping debt			\$ 6,742,344
Total direct debt			<u>1,772,808</u>
Total direct and overlapping debt			<u><u>\$ 8,515,152</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.

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

Type of Customer		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Small General Service	Facility Charge	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	40.00
	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	0.1071
	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	0.1071
Medium General Service	Facility Charge	18.43	18.43	18.43	18.43	18.43	18.43	18.43	18.43	18.43	50.00
	Demand Rate per kW first 10kW	2.11	2.11	2.11	2.11	2.11	2.11	2.11	2.11	2.11	5.75
	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	5.75
	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	0.0961
	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	0.0961
Large General Service	Facility Charge	345.00	345.00	345.00	345.00	345.00	345.00	345.00	345.00	345.00	600.00
	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	\$12.50 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	0.0749
Large General Service Temporary	Facility Charge Rate per kWh	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	34.50	40.00
	first 3,000 kWh Rate per kWh	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1153	0.1071
	over 3,000 kWh	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1042	0.1071
Residential Service	Facility Charge Rate per kWh	12.82	12.82	12.82	12.82	12.82	12.82	12.82	12.82	12.82	20.00
	first 800 kWh Rate per kWh	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151	0.1151	0.1053
	over 800 kWh	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1074	0.1053
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					

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										
			2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Water	Monthly Base Rate (3kG)	In	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.40
		Out	\$ 44.80	\$ 44.80	\$ 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	\$ 26.83	\$ 26.83	\$ 26.83	\$ 30.83	\$ 30.83	\$ 30.83	\$ 34.33	\$ 34.33	\$ 34.33	\$ 34.33	\$ 41.33
		Out	\$ 53.65	\$ 53.65	\$ 53.65	\$ 57.65	\$ 61.15	\$ 61.15	\$ 61.15	\$ 61.15	\$ 61.15	\$ 61.15	\$ 75.15
	Rate per 1kG for next 17 kG	In	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57
		Out	\$ 17.14	\$ 17.14	\$ 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	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01	\$ 7.01
		Out	\$ 14.02	\$ 14.02	\$ 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	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	
		In	\$ 2.00	\$ 2.00	\$ 2.00	\$ 4.00	\$ 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)
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%
2025	11,393	82,783	38,994	23,857	4.4%

- 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. Division of Employment Security

Town of Winterville, North Carolina
PRINCIPAL EMPLOYERS
June 30, 2025
Table 17

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Pitt Community College	788	1	7.23%
Roberts Company	605	2	5.55%
North Carolina Driving School	208	3	1.91%
Regional Acceptance Corporation	207	4	1.90%
Pitt County Schools	164	5	1.51%
Chick-fil-A	157	6	1.44%
Sam's Club	156	7	1.43%
Town of Winterville	109	8	1.00%
Lowes Foods	104	9	0.95%
ONLINE Information Services, Inc.	65	10	0.60%
Total	<u>2,563</u>		<u>23.53%</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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Central government										
Administration	5	5	5	5	5	5	4	3	5	5
Finance	6	6	6	6.5	6.5	6.5	6.5	6	6	7
Town Clerk	1	1	1	1	1	1	1	1	1	1
Planning	1	1	1	1	1	1	1	1	1	1
Inspections	2	2	2	2	2	2	2	3	3	2
Transportation										
Streets and Highways	5	4	4	4	4	4	4	4	4	4
Public Safety										
Sworn Officers	19	19	19	19	23	23	23	27	21	22
Civilians	1	1	1	1	1	1	1	1	0	1
Fire	1	1	1	2	15	15	17	11	13	14
Public Works	4	4	3	3	4	4	4	5	4	4
Economic and Physical Development	1	1	1	1	1	1	1	1	0	1
Cultural and recreation	4	4	4	5	5	5	5	4	5	5
Operation Support / IT	0	0	0	0	0	0	0	0	0	0
Electric operations	9	9	10	10.5	10.5	10.5	10.5	12	11	9
Water	3	3	4	4	4	4	4	3	4	5
Sewer	2	2	2	2	2	2	2	2	2	3
Storm Water	0	1	1	2	2	2	2	1	2	3
Information Technology	0	0	0	0	0	0	0	0	0	0
TOTAL	64	64	65	69	87	87	88	85	82	87

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Physical arrests	269	367	188	453	434	508	440	186	277	218
Traffic Violations	3,707	3,346	2,701	7,513	5,943	4,939	3,590	1,157	2,385	1,808
Fire										
Number of calls answered	600	693	794	1,253	1,379	1,463	1,590	1,339	1,616	1,694
Inspections	520	467	479	446	391	457	375	348	395	339
Building Inspections										
New construction permits	98	89	98	98	98	130	84	160	79	75
Highways and Streets										
Street Resurfacing	8	-	0.25	0.25	0.26	0.26	-	-	0.39	0.20
Potholes Repaired	50	40	150	150	37	50	42	63	75	75
Sanitation										
Refuse collected (tons/day)	7	8	8	8	8	8	9	9	9	9
Recyclables collected (tons/day)	2	2	2	2	2	2	3	3	3	5
Culture and Recreation										
Athletic field permits issued	-	-	-	-	-	-	-	-	-	2
Community center admissions	N/A									
Water										
New Connections	75	95	49	59	39	100	40	105	45	71
Water main breaks	1	1	-	-	-	-	1	1	-	2
Average daily consumption (hundreds of gallons)	540,595	551,661	583,332	574,918	577,382	598,726	586,939	595,500	613,951	622,461
Number of customers	3,975	4,065	4,114	4,173	4,212	4,312	4,352	4,457	4,563	4,623
Wastewater										
New Connections	79	105	55	63	42	74	33	89	70	111
Average daily sewage treatment (hundreds of gallons)	506,912	506,286	535,603	530,213	532,382	549,280	542,085	552,138	561,508	572,378
Number of customers	3,671	3,766	3,821	3,884	3,926	4,000	4,033	4,122	4,221	4,260

Town of Winterville, North Carolina
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years
Table 20

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	19	19	19	19	19	28	28	26	26
Fire Stations	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection Trucks	N/A									
Highways and Streets										
Streets (miles)	44.35	45.1	45.45	45.82	46.65	47.74	48.12	48.845	48.845	49.39
Highways (miles)	N/A									
Streetlights	N/A									
Traffic signals	3	3	3	3	4	4	4	4	4	4
Parks and Recreation										
Park Acreage	30	30	30	30	30	30	30	30	42	42
Tennis Court	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/Softball Diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/football	3	3	3	3	4	4	4	4	4	4
Community Centers	0	0	0	0	0	0	0	0	0	0
Water										
Water Mains (miles)	64	68	68	71	71	72	69.08	70.49	73.68	73.9
Fire Hydrants	416	424	427	428	428	448	450	463	469	471
Wastewater										
Sanitary sewers (miles)	62	63	63	65	65	68	68.23	68.81	69.37	69.5
Storm water pipe	38	38	38	38	39	41	41.33	41.82	42.32	43.26

COMPLIANCE SECTION





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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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2025, 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 December 11, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Town of Winterville's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Winterville's internal control.

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

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

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. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

December 11, 2025



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Report On Compliance for Each Major Federal Program; Report on Internal Control over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal 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 federal programs for the year ended June 30, 2025. The Town of Winterville's major federal 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 federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal 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 provides a reasonable basis for our opinion on compliance for each major federal 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 federal 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 federal 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 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 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 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 federal 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 federal 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 federal 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
December 11, 2025



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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, 2025. 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, 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, 2025.

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 provides 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

December 11, 2025

**TOWN OF WINTERVILLE, NORTH CAROLINA
WINTERVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Federal Awards

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

<u>Assistance Listing No's.</u>	<u>Names of Federal Program or Cluster</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? 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
 N.C. Revolving Loan & Grant Program

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, 2025**

Section II. Financial Statement Findings

None.

Section III. Federal Award Findings and Questioned Costs

None.

Section IV. 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, 2025**

Status: 2024-001 Corrected.
Prior period restatement was corrected in 2024 and controls are properly established to ensure the developer assets are captured each year.

Town of Winterville, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Unit Assistance Listing No.</u>	<u>State/ Pass-through Grantor's No.</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
Federal Grants:				
Cash Programs:				
<u>U.S. Dept. of Justice</u>				
Equitable Sharing Program Asset Forfeiture Funds	16.922		\$ 87,843	\$ -
<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		29,642	-
<u>U.S. Dept. of Treasury</u>				
Passed-through the N.C. Dept. of Environmental Quality Division of Water Infrastructure Coronavirus State Local Fiscal Recovery Funds (CSLFRF)	21.027	AIA-W-ARP-0226	28,200	-
Asset and Inventory Assessment Grant - Appropriation	21.027	SRP-SW-ARP-0062	136,470	-
State Fiscal Recovery Funds - ARPA				
Non-Cash Programs:				
<u>U.S. 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	3,650,174	-
Total assistance - federal programs			3,932,329	-
State Grants:				
Cash Assistance:				
<u>N.C. Dept. of Transportation:</u>				
Powell Bill		38071	-	42,238
Statewide Contingency		NCDOT-18	-	5,684
<u>N.C. Dept. of Environmental Quality</u>				
Capitalization Grants for Drinking State Revolving Funds			-	129,220
Non-Cash Assistance:				
<u>N.C. Dept. of Environmental Quality</u>				
N.C. Revolving Loan & Grant Program		DEQ-10	-	500,000
Total assistance - State programs			-	677,142
Total assistance			\$ 3,932,329	\$ 677,142

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, 2025. 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.

Note 4. Loans Outstanding

The Town of Winterville had the following loan balances outstanding at June 30, 2025 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2025 consist of:

<u>Program Title</u>	<u>AL#</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
Capitalization Grants for Clean Water State Revolving Funds	66.458	-	\$ 2,184,689
N.C. Revolving Loan & Grant Program			\$ 500,000