
TOWN OF ORIENTAL

Financial Statements, Supplemental Schedules,
and Independent Auditor's Report
For the Year Ended June 30, 2026



C. Randolph CPA, PLLC
Certified Public Accountant

TOWN OF ORIENTAL

Town Officials

Town Council Members

Sally Belangia, Mayor

Paul Jordan, Mayor Pro-Tempore

Iris Cooper

Don McGuire

Chris Moffat

Lou Ostendorff

Administrative and Financial Staff

Diane H. Miller, Town Manager

Lisa Millington, Finance Officer

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Certified Public Accountant

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Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
Oriental, 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 Town of Oriental (the "Town"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Town'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, business-type activities, each major fund, and the aggregate remaining fund information of Town of Oriental, as of June 30, 2026, and the respective changes in financial position and cash flows, where applicable, 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). 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 Oriental 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 Oriental'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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 responsible 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 Oriental'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 Oriental's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-10, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 47 through 48, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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's basic financial statements. The combining and individual fund financials statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

C. Randolph CPA, PLLC

West Jefferson, North Carolina

October 5, 2026

Management's Discussion and Analysis

As management of Town of Oriental, we offer readers of Town of Oriental's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of Town of Oriental for the fiscal year ended June 30, 2026, focusing on why amounts changed from the prior year. We encourage readers to consider the information presented here in conjunction with additional information furnished in this report.

Overview of the Financial Statements

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

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector business. The government-wide statements include the Town's governmental activities, the business-type activities, and discretely presented component unit.

The *statement of net position* presents financial information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flow in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, transportation, economic & physical development, environmental protection, and cultural and recreation. The business-type activities of the Town include water operations.

The government-wide financial statements include only the Town itself (known as the *primary government*).

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered a major fund.

Proprietary Funds – The town has one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The town uses an enterprise fund to account for its water activity. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financials statements provide information for the Water Fund. The Water Fund is a major fund of the Town.

Notes to the Financial Statements - The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The Town uses notes to present information in greater detail than is possible within the financial statements themselves, explain the nature of amounts reported in the financial statements and how those amounts were determined, and report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Other Information – In additions to the basic financial statements and accompanying notes, this report includes certain *required supplementary information*. The Town presents budgetary comparison schedules for the General Fund, as well as the Town's progress in funding its obligations to provide pension benefits to its employees.

Financial Summary and Detailed Analysis

Net position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,442,482 at the close of the most recent fiscal year, an increase of \$372,627.

Government-Wide Financial Analysis

Town of Oriental's Net Position Figure 1

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Current and other assets	\$1,643,994	\$1,418,159	\$ 410,678	\$499,646	\$2,054,672	\$1,917,805
Capital assets	2,626,605	2,646,581	1,157,387	981,970	3,783,992	3,628,551
Deferred outflows of resources	<u>67,266</u>	<u>97,111</u>	<u>67,266</u>	<u>97,111</u>	<u>134,532</u>	<u>194,222</u>
Total assets and deferred outflows of resources	<u>4,337,865</u>	<u>4,161,851</u>	<u>1,635,331</u>	<u>1,578,727</u>	<u>5,973,196</u>	<u>5,740,578</u>
Current liabilities	25,552	44,206	37,553	96,118	63,105	140,324
Noncurrent liabilities	260,825	301,467	126,432	203,020	387,257	504,487
Deferred inflows of resources	<u>40,176</u>	<u>12,956</u>	<u>40,176</u>	<u>12,956</u>	<u>80,352</u>	<u>25,912</u>
Total liabilities and deferred inflows of resources	<u>326,553</u>	<u>358,629</u>	<u>204,161</u>	<u>312,094</u>	<u>530,714</u>	<u>670,723</u>
Net position:						
Net investment in capital assets	2,626,605	2,646,581	1,157,387	981,970	3,783,992	3,628,551
Restricted	642,980	614,552	-	-	642,980	614,552
Unrestricted	<u>741,727</u>	<u>542,089</u>	<u>273,783</u>	<u>284,663</u>	<u>1,015,510</u>	<u>826,752</u>
Total net position	<u>\$4,011,312</u>	<u>\$3,803,222</u>	<u>\$1,431,170</u>	<u>\$1,266,633</u>	<u>\$5,442,482</u>	<u>\$5,069,855</u>

The largest portion of the Town's net position, \$3,783,992, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation/amortization and less any related outstanding debt that was used to acquire those assets. The Town uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$642,980, represents resources that are subject to external restrictions on how they may be used. As of the end of the current fiscal year the Town's unrestricted net position was a surplus of \$1,015,510. The following sections analyze the finances of the governmental activities and business-type activities separately.

Governmental activities. Current and other assets increased by \$176,014 (4.2 percent) from the prior year from various grant funds received.

Capital assets decreased by \$19,976 (.75 percent) from capitalized capital outlay expenditures offset by depreciation expense.

Business-type activities. Current and other assets increased by \$56,604 (3.6 percent) from the construction in progress from the Water Capital project fund. Capital assets increased by \$175,417 from water capital outlays of \$320,719 offset by depreciation expense.

Town of Oriental's Changes in Net Position
Figure 2

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
<u>Revenues:</u>						
Program revenues:						
Charges for services	\$ 236,766	\$ 232,349	\$496,704	\$ 432,240	\$ 733,470	\$ 664,589
Operating grants and contributions	478,195	101,403	-	-	478,195	101,403
Capital grants and contributions	-	-	53,400	79,845	53,400	79,845
General revenues:						
Property taxes	656,181	599,913	-	-	656,181	599,913
Other taxes	361,163	351,926	-	-	361,163	351,926
Investment earnings	28,542	25,619	2,227	2,585	30,769	28,204
Other	32,534	5,500	-	-	32,534	5,500
Total revenues	<u>1,793,381</u>	<u>1,316,710</u>	<u>552,331</u>	<u>514,670</u>	<u>2,345,712</u>	<u>1,831,380</u>
<u>Expenses:</u>						
General government	476,466	479,688	-	-	476,466	479,688
Public safety	125,460	166,522	-	-	125,460	166,522
Transportation	33,265	37,172	-	-	33,265	37,172
Economic and physical development	552,135	70,478	-	-	552,135	70,478
Environmental protection	68,853	442,792	-	-	68,853	442,792
Capital project	329,112	-	-	-	329,112	-
Water and Sewer	-	-	387,794	391,537	387,794	391,537
Total expenses	<u>1,585,291</u>	<u>1,196,652</u>	<u>387,794</u>	<u>391,537</u>	<u>1,973,085</u>	<u>1,588,189</u>
Change in net position	<u>\$ 208,090</u>	<u>\$ 120,058</u>	<u>\$ 164,537</u>	<u>\$ 123,133</u>	<u>\$ 372,627</u>	<u>\$ 243,191</u>
Net position, beginning, as previously reported	\$3,803,222	\$3,732,221	\$1,266,633	\$1,116,762	\$5,069,855	\$4,848,983
Restatement	-	(49,057)	-	26,738	-	(22,319)
Net position, beginning, as restated	3,803,222	3,683,164	1,266,633	1,143,500	5,069,855	4,826,664
Change in net position	<u>208,090</u>	<u>120,058</u>	<u>164,537</u>	<u>123,133</u>	<u>372,627</u>	<u>243,191</u>
Net position, ending	<u>\$4,011,312</u>	<u>\$3,803,222</u>	<u>\$1,431,170</u>	<u>\$1,266,633</u>	<u>\$5,442,482</u>	<u>\$5,069,855</u>

The Town's overall net position increased \$372,627 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental activities. Governmental activities increased the Town's net position by \$208,090, primarily due to increased property tax revenues from new construction being added to the tax base. The town also, replaced several fully depreciated assets.

The total revenues of the Town increased by \$476,671 (36.2 percent) over the prior year. One of the main factors contributed to this overall increase was primarily attributable to reimbursements received during the year, including \$250,425 related to the Whittaker Creek Dredging capital project and \$106,644 in FEMA reimbursements for Hurricane Florence-related expenses. Additional increases included property tax revenues resulting from new construction.

Business-type Activities. Business-type activities increased the town's net position by \$164,537 primarily attributable to the increased water collections and receipt of PFAS lawsuit settlement proceeds restricted for future water testing. Additionally, new construction constitutes new taps and additional billing/usage. This included one large 214,000+ gallon leak that the customer paid.

Detailed Analysis of Governmental Funds

As noted earlier, the Town of Oriental uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town reports one major fund in the governmental fund financial statements, the General Fund.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town's fund balance available was \$903,997, while total fund balance reached \$1,571,477. The Town currently has an available fund balance of 76% of General Fund expenditures, while total fund balance represents 133% of the same amount.

At June 30, 2026, the governmental funds of the Town reported a combined fund balance of \$1,571,477, with a net increase in fund balance of \$257,750. The increase is due to the increase in property tax revenues resulting from new constructions being added to the tax base and reimbursements for storm related expenses through FEMA.

Detailed Analysis of Enterprise Funds. The Town reports one enterprise fund in the proprietary fund financial statements, the Water Fund, major. The Town's enterprise fund provides the same type of information found in the government-wide statements but in more detail.

Unrestricted net position for the Water Fund at the end of the fiscal year was a surplus of \$273,783. The total change in net position for the Water Fund was an increase of \$164,537. This increase was primarily attributable to the increased water collections and receipt of PFAS lawsuit settlement proceeds restricted for future water testing. Additionally, new construction constitutes new taps and additional billing/usage. This included one large 214,000+ gallon leak that the customer paid.

Significant Capital Asset and Long-term Financing Activity

Capital Assets – The Town's capital assets for its governmental and business-type activities as of June 30, 2026, totaled \$3,783,992 (net of accumulated depreciation), an increase of 4.2 percent from the prior year. These assets include land, buildings, infrastructure, vehicles, park facilities, and equipment.

Major capital asset events during the year include the following:

Governmental Activities

1. John Deere Compact Utility Tractor – \$60,819
2. Mech Maxx Excavator - \$9,697

Business-type Activities

\$214,913 was added to construction in progress for additional amounts spent on the water capital project.

Town of Oriental's Capital Assets (Net of Accumulated Depreciation)

Figure 3

	<u>Governmental Activities</u>		<u>Business- Type Activities</u>		<u>Total</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Land	\$232,107	\$ 232,107	\$ -	\$ -	\$ 232,107	\$ 232,107
Construction in progress	-	-	320,719	105,806	320,719	105,806
Buildings and improvements	208,648	219,874	-	-	208,648	219,874
Infrastructure	46,750	48,798	-	-	46,750	48,798
Land improvements	2,025,509	2,079,087	-	-	2,025,509	2,079,087
Equipment and machinery	91,297	36,989	1,804	3,609	93,101	40,598
Vehicles	22,294	29,726	-	-	22,294	29,726
Water plant	-	-	834,864	872,555	834,864	872,555
Total	<u>\$2,626,605</u>	<u>\$2,646,581</u>	<u>\$1,157,387</u>	<u>\$981,970</u>	<u>\$3,783,992</u>	<u>\$3,628,551</u>

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

Long-term Debt: As of June 30, 2026, the Town of Oriental has no debt.

North Carolina general statutes limit the amount of general obligation and installment financing debt that a unit of government can issue up to 8 percent of the total assessed value of taxable property located within the government's boundaries. The legal debt margin for the Town is \$23,355,273. The town has no bonds authorized or unissued at June 30, 2026.

Town of Oriental's Outstanding Long-Term Liabilities

Figure 4

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Compensated absences	\$134,393	\$ 98,447	\$ -	\$ -	\$134,393	\$ 98,447
Net pension liability	<u>126,432</u>	<u>203,020</u>	<u>126,432</u>	<u>203,020</u>	<u>252,864</u>	<u>406,040</u>
Total	<u>\$260,825</u>	<u>\$ 301,467</u>	<u>\$126,432</u>	<u>\$203,020</u>	<u>\$387,257</u>	<u>\$504,487</u>

Currently known facts, decisions, or conditions

The Town of Oriental was aware of the following items that will impact future finances and were considered in developing the 2027 fiscal year budget. Continued development and new construction were anticipated to increase the property tax base. The Town increased its property tax rate from \$0.155 to \$0.160 per \$100 of assessed valuation based on existing values. A new property revaluation is scheduled to take effect January 1, 2027.

No water rate increases were included in the 2027 fiscal year budget. Personnel costs are expected to increase due to a cost-of-living wage adjustment for all staff, as well as increased health insurance costs. The Town also anticipated continued capital investment in the water infrastructure and street repaving, as well as a possible future drainage project on Hodges Street.

The Town did not anticipate recurring revenues from the FY2026 Whittaker project reimbursement, FEMA reimbursement related to Hurricane Florence, or PFAS lawsuit settlement proceeds in developing the 2027 fiscal year budget.

Requests for Information

This report is designed to provide an overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager, Diane Miller, Town of Oriental, PO Box 472, Oriental, NC 28571. You can also call (252) 249-0555 for more information.

**BASIC FINANCIAL
STATEMENTS**

TOWN OF ORIENTAL

Exhibit 1

Statement of Net Position June 30, 2026

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 877,972	\$ 286,433	\$ 1,164,405
Taxes receivable (net)	46,965	-	46,965
Accounts receivable (net)	15,246	31,888	47,134
Inventory	-	55,380	55,380
Due from other governments	80,406	-	80,406
Restricted cash and cash equivalents	623,405	36,977	660,382
Total current assets	<u>1,643,994</u>	<u>410,678</u>	<u>2,054,672</u>
Noncurrent assets:			
Capital assets:			
Land, non-depreciable improvements	232,107	320,719	552,826
Other capital assets, net of depreciation	2,394,498	836,668	3,231,166
Total capital assets	<u>2,626,605</u>	<u>1,157,387</u>	<u>3,783,992</u>
Total assets	<u>4,270,599</u>	<u>1,568,065</u>	<u>5,838,664</u>
<u>Deferred Outflows of Resources</u>			
Pension deferrals	<u>67,266</u>	<u>67,266</u>	<u>134,532</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued expenses	25,552	576	26,128
Customer deposits	-	36,977	36,977
Total current liabilities	<u>25,552</u>	<u>37,553</u>	<u>63,105</u>
Long-term liabilities:			
Net pension liability	126,432	126,432	252,864
Due in more than one year	134,393	-	134,393
Total liabilities	<u>286,377</u>	<u>163,985</u>	<u>450,362</u>
<u>Deferred Inflows of Resources</u>			
Pension deferrals	<u>40,176</u>	<u>40,176</u>	<u>80,352</u>
<u>Net Position</u>			
Net investment in capital assets	2,626,605	1,157,387	3,783,992
Restricted for:			
Stabilization by state statute	95,652	-	95,652
Streets	231,547	-	231,547
Economic development	315,781	-	315,781
Unrestricted	741,727	273,783	1,015,510
Total net position	<u>\$ 4,011,312</u>	<u>\$ 1,431,170</u>	<u>\$ 5,442,482</u>

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

TOWN OF ORIENTAL

Exhibit 2

Statement of Activities For the Year Ended June 30, 2026

Net (Expense) Revenue and Changes in Net Position											
Functions/Programs	Program Revenues			Primary Government							
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants							
				Governmental Activities	Business-type Activities	Total					
Primary government:											
Governmental Activities:											
General government	\$	476,466	\$	79,536	\$	179,113	\$	(217,817)	\$	(217,817)	
Public safety		125,460		9		-		(125,451)		(125,451)	
Transportation		33,265		-		51,270		18,005		18,005	
Environmental protection		552,135		115,309		-		(436,826)		(436,826)	
Economic and physical development		68,853		41,912		-		(26,941)		(26,941)	
Capital project		329,112		-		247,812		(81,300)		(81,300)	
Total governmental activities		1,585,291		236,766		478,195		(870,330)		(870,330)	
Business-type Activities:											
Water Fund		387,794		496,704		-		53,400		162,310	162,310
General revenues:											
Taxes:											
Property taxes, levied for general purpose								656,181		-	656,181
Local option sales tax								280,346		-	280,346
Other taxes								80,817		-	80,817
Miscellaneous								32,534		-	32,534
Unrestricted investment earnings								28,542		2,227	30,769
Total general revenues not including transfers								1,078,420		2,227	1,080,647
Change in net position								208,090		164,537	372,627
Net position, beginning								3,803,222		1,266,633	5,069,855
Net position, ending								\$ 4,011,312		\$ 1,431,170	\$ 5,442,482

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

TOWN OF ORIENTAL**Exhibit 3****Balance Sheet
Governmental Funds
June 30, 2026**

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 877,972	\$ 877,972
Receivables, net:		
Taxes	46,965	46,965
Accounts receivable	15,246	15,246
Due from other governments	80,406	80,406
Restricted cash and cash equivalents	<u>623,405</u>	<u>623,405</u>
 Total assets	 <u>\$ 1,643,994</u>	 <u>\$ 1,643,994</u>
 <u>Liabilities</u>		
 Accounts payable and accrued liabilities	<u>25,552</u>	<u>25,552</u>
 <u>Deferred inflows of resources</u>		
Property taxes receivable	<u>46,965</u>	<u>46,965</u>
 <u>Fund balances</u>		
Restricted:		
Stabilization by State Statute	95,652	95,652
Streets	231,547	231,547
Economic development	315,781	315,781
Assigned:		
Subsequent year's expenditures	24,500	24,500
Unassigned	<u>903,997</u>	<u>903,997</u>
Total fund balances	<u>1,571,477</u>	<u>1,571,477</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,643,994</u>	 <u>\$ 1,643,994</u>

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

TOWN OF ORIENTAL

Exhibit 4

**Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2026**

Total fund balances, governmental funds		\$ 1,571,477
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Gross capital assets at historical cost	\$ 3,702,363	
Accumulated depreciation	<u>(1,075,758)</u>	2,626,605
Deferred outflows of resources related to pensions are not reported in the funds		
		67,266
Liabilities for earned revenues are considered deferred inflows of resources in fund statements		
Property taxes receivable		46,965
Deferred inflows of resources related to pensions are not reported in the funds		(40,176)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		(134,393)
Net pension liability		<u>(126,432)</u>
Net position of governmental activities		<u>\$ 4,011,312</u>

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

TOWN OF ORIENTAL

Exhibit 5**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2026**

	Major Fund	Non-Major Fund	Total
	General	Capital	Governmental
	<u>Fund</u>	<u>Project</u>	<u>Funds</u>
Revenues:			
Ad valorem taxes	\$ 642,920	\$ -	\$ 642,920
Occupancy tax	41,912	-	41,912
Unrestricted intergovernmental	361,163	-	361,163
Restricted intergovernmental	230,383	247,812	478,195
Sales and services	195,987	-	195,987
Investment earnings	28,542	-	28,542
Miscellaneous	23,837	-	23,837
	<u>1,524,744</u>	<u>247,812</u>	<u>1,772,556</u>
Total revenues			
Expenditures:			
General government	468,136	-	468,136
Public safety	129,364	-	129,364
Transportation	19,691	-	19,691
Environmental protection	522,273	-	522,273
Economic and physical development	46,230	-	46,230
Capital project	-	329,112	329,112
	<u>1,185,694</u>	<u>329,112</u>	<u>1,514,806</u>
Total expenditures			
Net change in fund balances	339,050	(81,300)	257,750
Fund balances, beginning	<u>1,232,427</u>	<u>81,300</u>	<u>1,313,727</u>
Fund balance - ending	<u>\$ 1,571,477</u>	<u>\$ -</u>	<u>\$ 1,571,477</u>

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

TOWN OF ORIENTAL

Exhibit 6

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2026**

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

Net changes in fund balances - total governmental funds	\$ 257,750
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.	
Depreciation expense for governmental assets	(90,492)
Contributions to the pension plan in the current year are not included on the Statement of Activities	72,859
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenue for tax revenues	13,261
Other	7,564
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 the governmental funds:	
Pension expense	(16,907)
Compensated absences	(35,946)
Total changes in net position of governmental activities	<u>\$ 208,090</u>

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

TOWN OF ORIENTAL**Exhibit 7****Statement of Fund Net Position - Proprietary Fund
June 30, 2026**

	<u>Enterprise Fund</u> <u>Water Fund</u>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 286,433
Accounts receivables, net	31,888
Inventory	55,380
Restricted cash and cash equivalents	36,977
Total current assets	<u>410,678</u>
Noncurrent assets:	
Capital assets:	
Water systems, net of depreciation	834,864
Construction in progress	320,719
Other capital assets, net of depreciation	1,804
Total noncurrent assets	<u>1,157,387</u>
Total assets	<u>1,568,065</u>
<u>Deferred Outflows of Resources</u>	
Pension deferrals	<u>67,266</u>
<u>Liabilities</u>	
Accounts payable	576
Liabilities payable from restricted assets:	
Customer deposits	36,977
Noncurrent liabilities:	
Net pension liability	126,432
Total liabilities	<u>163,985</u>
<u>Deferred Inflows of Resources</u>	
Pension deferrals	<u>40,176</u>
<u>Net Position</u>	
Net investment in capital assets	1,157,387
Unrestricted	273,783
Total net position	<u>\$ 1,431,170</u>

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

TOWN OF ORIENTAL**Exhibit 8****Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2026**

	Enterprise Fund Water Fund
Operating Revenues:	
Operating revenues:	
Charges for services	\$ 449,775
Miscellaneous	<u>46,929</u>
Total operating revenues	<u>496,704</u>
Operating Expenses:	
Water and sewer administration	157,877
Water treatment	190,421
Depreciation	<u>39,496</u>
Total operating expenses	<u>387,794</u>
Operating income	108,910
Non-Operating Revenues (Expenses):	
Capital contributions	53,400
Interest earnings	<u>2,227</u>
Change in net position	164,537
Net position, beginning, as previously reported	<u>1,266,633</u>
Net position, ending, as restated	<u>\$ 1,431,170</u>

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

TOWN OF ORIENTAL**Exhibit 9****Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2026**

	Major Enterprise Fund Water Fund
Cash Flows From Operating Activities:	
Cash received from customers	\$ 459,595
Cash paid for goods and services	(266,503)
Cash paid to or on behalf of employees for services	(100,208)
Net cash provided (used) by operating activities	<u>92,884</u>
Cash Flows from Noncapital and Related Financing Activities:	<u>-</u>
Cash Flows from Investing Activities:	
Construction in progress - Water Capital Project	(214,913)
Capital contributions	53,400
Interest on investments	2,227
Net cash provided (used) by investing activities	<u>(159,286)</u>
Net increase (decrease) in cash and cash equivalents	(66,402)
Balances, beginning	<u>389,812</u>
Balances, ending	<u>\$ 323,410</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:	
Operating income	<u>\$ 108,910</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	39,496
Changes in assets, deferred outflows of resources, and liabilities:	
(Increase) decrease in accounts receivable, net	21,456
(Increase) decrease in inventory	1,110
(Increase) decrease in deferred outflows of resources	29,845
Increase (decrease) in accounts payable and accrued liabilities	(60,145)
Increase (decrease) in deferred inflows of resources	27,220
Increase (decrease) in net pension liability	(76,588)
Increase (decrease) in customer deposits	1,580
Total adjustments	<u>(16,026)</u>
Net cash provided (used) by operating activities	<u>\$ 92,884</u>

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

TOWN OF ORIENTAL**Exhibit 10****Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2026**

	<u>Custodial Fund</u>
<u>Assets</u>	
Current assets:	
Customer receivables, net	\$ 42,754
Total assets	42,754
<u>Liabilities</u>	
Customer deposits	26,330
<u>Net Position</u>	
Restricted for other organizations	16,424
Total net position	\$ 16,424

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

TOWN OF ORIENTAL

Exhibit 11

**Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2026**

	<u>Custodial Fund</u>
<u>Additions:</u>	
Sewer revenues collected for other governments	\$ 417,663
Total additions	<u>417,663</u>
<u>Deductions:</u>	
Revenue distributions to other govemnents	<u>409,713</u>
Total deductions	<u>409,713</u>
Net increase (decrease) in fiduciary net position	7,950
Net position, beginning	<u>8,474</u>
Net position, ending	<u>\$ 16,424</u>

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

TOWN OF ORIENTAL

Notes to the Financial Statements For the Year Ended June 30, 2026

I. Summary of Significant Accounting Policies

The accounting policies of Town of Oriental, North Carolina conform to generally accepted accounting principles applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Town of Oriental, North Carolina is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town.

B. Basis of Presentation, Basis of Accounting

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party received 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 fund:

General Fund - The General Fund is the general operating fund of the Town. The General Fund

accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, and environmental protection.

The Town reports the following non-major governmental fund:

Capital Project Fund – This fund is used to account for Whittaker Creek Dredging Grant transactions.

The Town reports the following major enterprise fund:

Water Fund – This fund is used to account for the town's water operations. A Water Capital Projects Fund has been consolidated into the Water Fund for financial reporting purposes. The budgetary comparison for the Ater Capital projects Fund has been included in the supplemental information.

The Town reports the following fiduciary fund:

Custodial Fund – This fund is used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The custodial fund is used to account for assets the town holds on behalf of others that meet certain criteria. The town maintains the following custodial fund: the Bay River Metropolitan Sewerage District Fund, which accounts for sewer revenues that are billed and collected by the town.

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 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. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in 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 (a) charges to customers or applicants for goods, services, or privileges provided, (b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than 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's enterprise fund is 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 system. Operating expenses for an enterprise fund 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. On 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 the limited registration plates are shown as receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, collected and held by the State at the year-end on behalf of the Town, are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Oriental because the tax is levied by Pamlico County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when the 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. 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 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 Super NOW accounts, money market accounts and certificates of deposit.

G.S. 159-30 authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is a 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 AA+ by S&P and AAA-mf by Moody's Investors Service and reported at fair value.

The Town has invested in securities that are callable and that provide for periodic interest rate increased in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

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 outlined in G.S. 136-41.1 through 41.4. Various accounts are restricted for specific purposes including tourism, paving, public safety, parks and recreation, and harbor waterfront.

4. Ad Valorem Taxes Receivable

By G.S. 105-347 and G.S. 159-13(a), the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values of January 1, 2025. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

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. Prepaid Items

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$5,000 for land, building, improvements, infrastructure, furniture, equipment, and vehicles.

Purchased or constructed capital assets are reported at the cost of estimated historical cost. 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. General infrastructure assets acquired prior to July 1, 2003, consist of road improvements after July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30 years
Buildings	20 to 40 years
Land Improvements	10 to 20 years
Vehicles	3 to 10 years
Furniture and Fixtures	3 to 10 years
Equipment	3 to 10 years
Computer Equipment	3 to 5 years
Software	3 to 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. The Town has no items that meet this criterion. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred 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), prepaid taxes, deferred grants, and pension deferrals.

9. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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 or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee or paid to an employee flex spending account) during or upon separation from employment. Based on the criteria above, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the government funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits where applicable.

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. Vacation leave over thirty days is transferred to an employee's sick leave balance at the end of each calendar year.

The Town's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable - 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. The town has no nonspendable fund balance.

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 – 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), this is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8 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.* RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Economic Development – portion of fund balance that is restricted for use for economic development [G.S. 159-3.2].

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

Restricted for Capital Projects – portion of fund balance that is restricted for the Whittaker Creek Dredging grant.

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

Assigned Fund Balance - portion of fund balance that the Town intends to use for specific purposes.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed. The governing body approves the appropriation.

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 non-spendable fund balance.

The Town of Oriental 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 and local non-city funds, city 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 has not adopted a minimum fund balance policy for the general fund.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Oriental's employer contributions are recognized when due and the Town of Oriental 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.

II. Stewardship, Compliance, and Accountability

A. Material Violations of Finance-related Legal and Contractual Provisions:

There are no violations of N.C. General Statutes reported for the year ended June 30, 2026.

B. Excess of Expenditures over Appropriations

There were no expenditures in excess of appropriations during the year ended June 30, 2026.

C. Noncompliance with North Carolina General Statutes

There were no violations of noncompliance with North Carolina General Statutes reported for the year ended June 30, 2026.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in this unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State

Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no 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, 2026, the Town's deposits had a carrying amount of \$, and a bank balance of \$997,193. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. Petty cash totaled \$150.

Restricted cash and cash equivalents consisted of the following as of June 30, 2026:

Governmental Activities:	
General Fund:	
Streets	\$231,547
Economic development	315,781
Other	<u>76,077</u>
Total governmental activities	<u>\$623,405</u>
Business-type Activities:	
Water Fund:	
Customer deposits	<u>\$36,977</u>

3. Investments

At June 30, 2026, the Town of Oriental had \$827,444 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's (S&P). The Town has no policy regarding credit risk of its investments.

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 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 adopted a formal policy regarding credit risk 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 Standards & Poor's and AAAM-mf by Moody's Investors Service as of June 30, 2026.

4. Receivables – Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2026, are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$15,655
Enterprise Fund:	
Water fund – accounts receivable	<u>3,543</u>
Total	<u>\$19,198</u>

5. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2026, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	<u>\$232,107</u>	\$ -	\$ -	<u>\$232,107</u>
Total capital assets not being depreciated	<u>232,107</u>	-	-	<u>232,107</u>
Capital assets being depreciated:				
Buildings and Improvements	401,644	-	-	401,644
Infrastructure	61,424	-	-	61,424
Improvements	2,394,061	-	-	2,394,061
Equipment and machinery	277,195	70,516	-	347,711
Office furniture and equipment	25,457	-	-	25,457
Vehicles	<u>239,959</u>	-	-	<u>239,959</u>
Total capital assets being depreciated	<u>3,399,737</u>	<u>70,516</u>	-	<u>3,470,256</u>
Less accumulated depreciation for:				
Buildings	181,770	11,228	-	192,998
Infrastructure	12,625	2,048	-	14,673
Improvements	314,973	53,579	-	368,552
Equipment and machinery	240,205	16,209	-	256,414
Office furniture and equipment	25,454	-	-	25,454
Vehicles	<u>210,236</u>	<u>7,431</u>	-	<u>217,667</u>
Total accumulated depreciation	<u>985,263</u>	<u>90,495</u>	-	<u>1,075,758</u>
Total capital assets being depreciated, net	<u>2,414,474</u>			<u>2,394,498</u>
Governmental activity capital assets, net	<u>\$2,646,581</u>			<u>\$2,626,605</u>

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

General Government	\$17,197
Public safety	7,239
Transportation	13,574
Environmental protection	29,862
Economic and physical development	<u>22,623</u>
Total	<u>\$90,495</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business type Activities:				
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 105,806	\$214,913	\$ -	\$320,719
Capital Assets Being Depreciated:				
Water Plant	2,403,227	-	-	2,403,227
Equipment	82,854	-	-	82,854
Vehicles	14,790	-	-	14,790
Total capital assets being depreciated	<u>2,500,871</u>	<u>-</u>	<u>-</u>	<u>2,500,871</u>
Less Accumulated Depreciation For:				
Water plant	1,530,350	37,691	-	1,568,041
Equipment	79,567	1,805	-	81,372
Vehicles	14,790	-	-	14,790
Total accumulated depreciation	<u>1,624,707</u>	<u>39,496</u>	<u>-</u>	<u>1,664,203</u>
Total capital assets being depreciated	<u>876,164</u>			<u>836,668</u>
Business activity capital assets, net	<u>\$981,970</u>			<u>\$1,157,387</u>

B. Liabilities

1. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Town of Oriental 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 government 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 State Superintendent, who serves as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh,

North Carolina 27699-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the members' average final compensation times the member's year 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 Oriental employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Oriental's contractually required contribution rate for the year ended June 30, 2026, was 14.35% for general employees and 16.08% for law enforcement employees, actuarially determined as an amount that, when combined with employees' contributions, is expected to finance costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Oriental were \$72,859 for the year ended June 30, 2026.

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, 2026, the Town reported a liability of \$252,864 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2025, utilizing update procedures incorporating the actuarial assumptions. 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, actually determined. At June 30, 2025 (measurement date), the Town's proportion was 0.00409%, which was a decrease of 0.00193% from its proportion measures as of June 30, 2024.

For the year ended June 30, 2026, the Town recognized pension expense of \$33,813. At June 30, 2026, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 61,674	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earning on pension plan investments	-	7,531
Changes in proportion and difference between Town contributions and proportionate share of contributions	-	72,821
Town contributions subsequent to the measurement date	<u>72,858</u>	<u>-</u>
Total	<u>\$134,532</u>	<u>\$80,352</u>

\$72,858 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2027	\$25,856
2028	(12,583)
2029	(22,629)
2030	(9,323)
Thereafter	<u>-</u>
	<u>\$(18,679)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods. Included in the measurement:

Inflation	3.00 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2025, valuation was based on the results of an actuarial experience study for the period January 1, 2013, through December 31, 2017. Future ad hoc Cost-of-Living Adjustment (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 weighing 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, 2026, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	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 an investment consulting firm's 2026 long-term capital market assumptions. 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 multiplying by a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized figures. Source data is provided in the 2026 Annual Comprehensive Financial Report (ACFR) published on the website of the Office of the State Controller.

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)	\$481,882	\$252,863	\$64,390

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.

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

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

	<u>LGERS</u>
Pension Expense	\$33,813
Pension Liability	252,863
Proportionate share of the net pension liability	0.00409%
Deferred Outflows of Resources:	
Difference between expected and actual experience	61,673

Changes of assumptions	
Net difference between projected and actual earnings on plan investments	\$ -
Changes in proportion and difference between contributions and proportionate share of contributions	-
Benefit payments and administrative costs paid subsequent to the measurement date	72,858

Deferred Inflows of Resources:

Differences between expected and actual experience	-
Changes of assumptions	-
Net difference between projected and actual earnings on plan investments	7,531
Changes in proportion and differences between contributions and proportionate share of contributions	72,821

a. 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 56 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(K) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the town to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan. The town made contributions of \$3,724 for the reporting year. No amounts were forfeited.

C. Other Employment Benefits

The Town elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government 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 month's 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. 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. Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources are compromised of the following:

Contributions to pension plan in current fiscal year	\$ -
Difference between expected and actual experience	61,674
Changes of assumptions	-
Net difference between projected and actual earnings	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>72,858</u>
Total	<u>\$134,532</u>

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

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable (General Fund)	\$ -	\$46,965
Difference between projected and actual earnings	7,531	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>72,821</u>	<u>-</u>
Total	<u>\$80,352</u>	<u>\$46,965</u>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town carries commercial coverage for all other risks of loss. The town is covered through the NCLM Property and Casualty Group for flood insurance, less a deductible of \$50,000.

Per G.S. 159-29, the Town's employees who have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$250,000.

4. 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	<u>\$1,571,477</u>
Less:	
Stabilization by State Statute	95,652
Streets-Powell Bill	231,547
Economic development	315,781
Appropriated fund balance in 2027 budget	<u>24,500</u>
Remaining fund balance	<u>\$903,997</u>

Economic development fund balance consists of the following:

Occupancy – 50% - Waterfront enhancement	\$ 56,802
Occupancy – 20% - Parks and Recreation	20,734
Occupancy – Tourism - Heads in Beds	50,437
Tree board donations	4,131
Parks and recreation donations	961
Tennis court donations	376
Capital reserve – Police	14,525
Capital reserve – Public Works	16,946
Harbor Waterfront	118,995
Tourism	<u>31,874</u>
Total	<u>\$315,781</u>

5. Claims, Judgements and Contingent Liabilities

No claims or judgments existed at June 30, 2026.

6. Long-Term Obligations

a. Changes in Long-Term Liabilities

	Beginning			Ending	Current
Governmental activities:	Balance	Increases	Decreases	Balance	Portion of
Compensated absences	\$ 98,447	\$35,946	\$ -	\$ 134,393	\$ -
Net Pension liability (LGRS)	<u>101,510</u>	<u>24,922</u>	<u>-</u>	<u>126,432</u>	<u>-</u>
Total	<u>\$199,957</u>	<u>\$60,868</u>	<u>\$ -</u>	<u>\$260,825</u>	<u>\$ -</u>
Business-type Activities:					
Net pension liability (LGRS)	<u>\$101,510</u>	<u>\$24,922</u>	<u>\$ -</u>	<u>\$126,432</u>	<u>\$ -</u>
Total	<u>\$101,510</u>	<u>\$24,922</u>	<u>\$ -</u>	<u>\$126,432</u>	<u>\$ -</u>

IV. Jointly Governed Organization

The Town, in conjunction with 9 counties and 47 other municipalities, established the East Carolina Council of Governments. The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to

the Commission's governing board, and each participating Town appoints one member to the Commission's governing board. The town has no equity interest nor does the town materially contribute to the continued existence of the Council. The town's interests are other than financial.

V. Summary Disclosure 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 money to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

VI. Changes in Accounting Principles

For the year ended June 30, 2026, GASB Statement No. 103, *Financial Reporting Model Improvements*, was implemented. 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. The Statement changes the Management's Discussion and Analysis to limit discussion areas while requiring detailed analysis to explain why balances and results of operations changed. The Statement clarifies items reported as *Unusual or Infrequent Items*, formerly reported as Special or Extraordinary Items, as well as reporting requirements. Changes are required to the reporting format of the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. The Statement requires changes to the reporting of major and nonmajor component units. Also, all budgetary comparison information is now required to be presented as Required Supplementary Information. No restatements were required as a result of implementation.

For the year ended June 30, 2026, GASB Statement No. 104, *Disclosure of Certain Capital Assets*, was implemented. The Statement requires separate disclosure of certain lease assets, public-private and public-public partnership right-to-use assets, subscription assets, other intangible assets, and capital assets held for sale. The Statement was applied retroactively. Implementation changed the presentation and disaggregation of the capital-assets note but did not affect beginning net position or amounts reported in the basic financial statements. (Note III.A.5).

For the year ended June 30, 2026, GASB Statement No. 105, *Subsequent Events*, was implemented. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users (Note VII).

VII. Significant Effects of Subsequent Events

Management has evaluated subsequent events through October 5, 2026, the date on which the financial statements were available to be issued and concluded that the following subsequent event has occurred that would require recognition or disclosure in these financial statements.

**REQUIRED SUPPLEMENTAL
FINANCIAL DATA**

TOWN OF ORIENTAL

Schedule 1

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2026**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance With Original Budget - Over (Under) Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under) Actual</u>
Revenues:					
Ad valorem taxes	\$ 579,807	\$ 579,807	\$ -	\$ 642,920	\$ 63,113
Occupancy tax	72,136	71,885	(251)	41,912	(29,973)
Unrestricted intergovernmental revenues	338,633	338,633	-	361,163	22,530
Restricted intergovernmental revenues	124,469	124,469	-	230,383	105,914
Sales and services	181,175	181,350	175	195,987	14,637
Investment earnings	25,500	25,500	-	28,542	3,042
Miscellaneous	<u>4,375</u>	<u>4,200</u>	<u>(175)</u>	<u>23,837</u>	<u>19,637</u>
Total revenues	<u>1,326,095</u>	<u>1,325,844</u>	<u>(251)</u>	<u>1,524,744</u>	<u>198,900</u>
Expenditures:					
General government	457,361	473,748	16,387	468,136	5,612
Public safety	157,942	146,863	(11,079)	129,364	17,499
Transportation	20,200	23,438	3,238	19,691	3,747
Environmental protection	569,922	560,584	(9,338)	522,273	38,311
Economic and physical development	<u>137,636</u>	<u>138,177</u>	<u>541</u>	<u>46,230</u>	<u>91,947</u>
Total expenditures	<u>1,343,061</u>	<u>1,342,810</u>	<u>(251)</u>	<u>1,185,694</u>	<u>157,116</u>
Revenues over (under) expenditures	(16,966)	(16,966)	-	339,050	356,016
Other Financing Sources (Uses):					
Fund balance appropriated	<u>16,966</u>	<u>16,966</u>	<u>-</u>	<u>-</u>	<u>(16,966)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	339,050	<u>\$ 339,050</u>
Fund balance-beginning				<u>1,232,427</u>	
Fund balance - ending				<u>\$ 1,571,477</u>	

Town of Oriental
Notes to Budgetary Comparison Schedules

1. Budgetary Basis of Accounting

The Town's budgets are adopted as required by NCGS. An annual budget is adopted for the General Fund and for all special revenue funds, except those funds indicated below. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Projects Funds. No budget ordinance is adopted for the Fiduciary Fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for multi-year funds. Amendments to the budget are required to be approved by the governing board or any revisions that alter total expenditures of any fund or that change appropriations by more than \$2,500. Amendments of \$2,500 or less may be approved by the Town Manager (budget officer). During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget until the annual budget is adopted. All instances of expenditures over appropriations are statutory violations of State law.

2. Excess of Expenditures Over Appropriations

There were no expenditures over appropriations during the fiscal year.

3. General Fund Budgetary Highlights**Original budget compared to final budget**

During the year there were several amendments were made to the original budget to reflect changes in anticipated revenues and expenditures. These amendments primarily reflected adjustments to actual funding and spending needs during the fiscal year.

Final budget to actual results

Restricted intergovernmental revenues exceeded the final budget by \$105,914, primarily due to grant revenues received during the fiscal year that were greater than anticipated in the budget. Occupancy tax revenues were under budget by \$29,973 due to short-term rentals being down in 2025-2026.

TOWN OF ORIENTAL

Schedule 3

Town of Oriental's Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information Last Ten Fiscal Years* Local Government Employees' Retirement System (LGERS)

	<u>2026</u>	<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>
Proportion of the net pension liability (asset) (%)	0.00409%	0.00602%	0.00632%	0.00711%	0.00725%	0.00754%	0.00720%	0.00681%	0.00601%	0.00610%
Proportion of the net pension liability (asset) (\$)	\$ 252,863	\$ 406,039	\$ 418,778	\$ 401,106	\$ 111,186	\$ 269,436	\$ 196,626	\$ 161,556	\$ 91,816	\$ 129,462
Town of Oriental's covered-employee payroll	\$ 502,863	\$ 554,118	\$ 507,854	\$ 495,140	\$ 477,857	\$ 484,898	\$ 413,397	\$ 354,168	\$ 352,757	\$ 348,361
Town of Oriental's Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.28%	73.28%	82.46%	81.01%	23.27%	55.57%	47.56%	45.62%	26.03%	37.16%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	84.14%	82.49%	85.14%	95.51%	91.63%	94.18%	91.47%	98.09%	99.07%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. Pension schedules are intended to show information for ten years, additional years' information will be displayed as it comes available.

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

TOWN OF ORIENTAL

Schedule 4

Town of Oriental's Contributions Required Supplementary Information Last Ten Fiscal Years

Local Government Employees' Retirement System (LGERS)

	<u>2026</u>	<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>
Contractually required contribution	\$ 72,859	\$ 67,867	\$ 72,222	\$ 62,274	\$ 56,806	\$ 49,042	\$ 43,999	\$ 31,794	\$ 26,807	\$ 24,693
Contributions in relation to the contractually required contributions	<u>72,859</u>	<u>67,867</u>	<u>72,222</u>	<u>62,274</u>	<u>56,806</u>	<u>49,042</u>	<u>43,999</u>	<u>31,794</u>	<u>26,807</u>	<u>24,693</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Oriental's covered employee payroll	\$ 506,600	\$ 502,863	\$ 554,118	\$ 507,854	\$ 495,140	\$ 477,857	\$ 484,898	\$ 413,397	\$ 354,168	\$ 352,757
Contributions as a percentage of covered-employee payroll	14.38%	13.50%	13.03%	12.26%	11.47%	10.26%	9.07%	7.69%	7.57%	7.00%

**INDIVIDUAL FUND
SCHEDULES AND
OTHER SCHEDULES**

TOWN OF ORIENTAL

Schedule 5

Page 1 of 4

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	2026		Variance	2025
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes:				
Taxes	\$ -	\$ 635,589	\$ -	\$ 589,561
Penalties and interest	-	7,331	-	2,434
Total	<u>579,807</u>	<u>642,920</u>	<u>63,113</u>	<u>591,995</u>
Other taxes and licenses:				
Occupancy tax	<u>71,885</u>	<u>41,912</u>	<u>(29,973)</u>	<u>40,852</u>
Unrestricted intergovernmental revenues:				
Local option sales tax	-	280,346	-	268,674
Federal and state gas refund	-	802	-	1,313
Franchise tax	-	75,575	-	77,652
Beer and wine tax	-	3,712	-	3,593
Solid waste disposal tax	-	728	-	694
Total	<u>338,633</u>	<u>361,163</u>	<u>22,530</u>	<u>351,926</u>
Restricted intergovernmental revenues:				
Various grants	-	179,113	-	2,299
Powell Bill allocation	-	51,270	-	51,154
Total	<u>124,469</u>	<u>230,383</u>	<u>105,914</u>	<u>53,453</u>
Sales and Services:				
Solid waste fees	-	115,309	-	114,214
Recycling fees	-	66,086	-	65,067
Zoning and permit fees	-	13,450	-	11,875
Police fees	-	9	-	341
Other	-	1,133	-	5,500
Total	<u>181,350</u>	<u>195,987</u>	<u>14,637</u>	<u>196,997</u>

cont.

TOWN OF ORIENTAL**Schedule 5****Page 2 of 4**

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	<u>2026</u>		<u>Variance</u>	<u>2025</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Investment earnings	\$ 25,500	\$ 28,542	\$ 3,042	\$ 25,619
Miscellaneous:				
Donations	-	2,092	-	-
Rentals and fees	-	1,320	-	-
Other	-	20,425	-	-
	<u>4,200</u>	<u>23,837</u>	<u>19,637</u>	<u>-</u>
Total revenues	<u>1,325,844</u>	<u>1,524,744</u>	<u>198,900</u>	<u>1,260,842</u>
Expenditures:				
General Government				
Administration:				
Salaries and employee benefits	-	327,487	-	303,302
Legal and professional fees	-	24,695	-	20,799
Elections	-	4,290	-	-
Dues and subscriptions	-	7,433	-	8,038
Office expenses	-	3,974	-	5,502
Tax billing	-	13,017	-	12,072
Utilities	-	14,933	-	12,913
Insurance	-	33,504	-	33,723
Other operating expenditures	-	38,230	-	34,881
Repairs and maintenance	-	573	-	582
Total General Government	<u>473,748</u>	<u>468,136</u>	<u>5,612</u>	<u>431,812</u>

cont.

TOWN OF ORIENTAL

Schedule 5**Page 3 of 4**

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	<u>2026</u>		<u>Variance</u>	<u>2025</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Public Safety:				
Police:				
Salaries and employee benefits	\$ -	\$ 113,739	\$ -	\$ 134,973
Supplies	-	146	-	114
Vehicle expenses	-	4,909	-	2,583
Other operating expenses	-	10,570	-	12,904
Total Public Safety	<u>146,863</u>	<u>129,364</u>	<u>17,499</u>	<u>150,574</u>
Transportation:				
Streets and Highways:				
Street lights	-	19,499	-	18,599
Other operating expenditures	-	192	-	4,420
Total Transportation	<u>23,438</u>	<u>19,691</u>	<u>3,747</u>	<u>23,019</u>
Environmental Protection:				
Public Works:				
Salaries and employee benefits	-	174,943	-	156,583
Contract - garbage collection	-	91,493	-	89,699
Mosquito control	-	3,935	-	2,600
Tipping fees	-	36,784	-	34,008
Recycling	-	66,933	-	65,883
Vehicle expenses	-	10,057	-	11,491
Other operating expenditures	-	77,309	-	51,392
Capital outlay	-	60,819	-	-
Total Environmental Protection	<u>560,584</u>	<u>522,273</u>	<u>38,311</u>	<u>411,656</u>

cont.

TOWN OF ORIENTAL

Schedule 5
Page 4 of 4, cont.

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	2026		Variance	2025
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Economic and Physical Development				
Operating expenditures	\$ -	\$ 46,230	\$ -	\$ 46,892
Total Economic and Physical Development	<u>138,177</u>	<u>46,230</u>	<u>91,947</u>	<u>46,892</u>
 Total expenditures	 <u>1,342,810</u>	 <u>1,185,694</u>	 <u>157,116</u>	 <u>1,063,953</u>
 Revenues over (under) expenditures	 <u>(16,966)</u>	 <u>339,050</u>	 <u>356,016</u>	 <u>196,889</u>
Other Financing Sources (Uses):				
Fund balance appropriation	<u>16,966</u>	<u>-</u>	<u>(16,966)</u>	<u>-</u>
Total	<u>16,966</u>	<u>-</u>	<u>(16,966)</u>	<u>-</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>339,050</u>	 <u>\$ 339,050</u>	 <u>196,889</u>
 Fund balance-beginning		<u>1,232,427</u>		<u>1,035,538</u>
 Fund balance - ending		<u>\$ 1,571,477</u>		<u>\$ 1,232,427</u>

TOWN OF ORIENTAL

Schedule 6

Capital Projects Fund - Whittaker Creek Dredging Grant Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and For the Year Ended June 30, 2026

		<u>Actual</u>		<u>Total</u>	<u>Variance</u>
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>to</u>	<u>Positive</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>Date</u>	<u>(Negative)</u>
Revenues:					
NC Department of Environmental Quality	\$ 258,600	\$ -	\$ 250,425	\$ 250,425	\$ (8,175)
Friends of Whittaker Creek	<u>86,200</u>	<u>86,200</u>	<u>(2,613)</u>	<u>83,587</u>	<u>(2,613)</u>
Total revenues	<u>344,800</u>	<u>86,200</u>	<u>247,812</u>	<u>334,012</u>	<u>(10,788)</u>
Expenditures:					
Contract services	<u>344,800</u>	<u>4,900</u>	<u>329,112</u>	<u>334,012</u>	<u>10,788</u>
Total expenditures	<u>344,800</u>	<u>4,900</u>	<u>329,112</u>	<u>334,012</u>	<u>10,788</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 81,300</u>	<u>(81,300)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>81,300</u>		
Fund balance, ending			<u>\$ -</u>		

Project closed at June 30, 2026.

TOWN OF ORIENTAL

Schedule 7

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

Water Fund

For the Year Ended June 30, 2026

(With Comparative Totals for June 30, 2025)

	2026		Variance	2025
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Operating revenues:				
Charges for services	\$ -	\$ 449,775	\$ -	\$ 431,236
Miscellaneous	-	46,929	-	1,004
Nonoperating revenues:				
Interest earnings	-	2,227	-	2,585
Total revenues	<u>438,710</u>	<u>498,931</u>	<u>60,221</u>	<u>434,825</u>
Expenditures:				
Water and sewer administration:				
Salaries and employee benefits	-	100,208	-	109,435
Other operating expenditures	-	57,669	-	60,602
Total water and sewer administration	<u>225,068</u>	<u>157,877</u>	<u>67,191</u>	<u>170,037</u>
Water treatment:				
Other operating expenditures	-	190,421	-	182,004
Total water treatment	<u>213,642</u>	<u>190,421</u>	<u>23,221</u>	<u>182,004</u>
Total expenditures	<u>438,710</u>	<u>348,298</u>	<u>90,412</u>	<u>352,041</u>
Revenues over (under) expenditures	-	150,633	150,633	82,784
Other Financing Sources (Uses):				
Fund balance appropriated	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>150,633</u>	<u>\$ 150,633</u>	<u>82,784</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Reconciling items:				
Depreciation		(39,496)		(39,496)
Water Capital Project Fund:				
Capital contributions		<u>53,400</u>		<u>79,845</u>
Change in net position		<u>\$ 164,537</u>		<u>\$ 123,133</u>

TOWN OF ORIENTAL

Schedule 8

**Water Capital Projects Fund - Drinking Water Reserve and Wastewater Reserve
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and For the Year Ended June 30, 2026**

		<u>Actual</u>		<u>Total</u>	<u>Variance</u>
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>to</u>	<u>Positive</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>Date</u>	<u>(Negative)</u>
Revenues:					
NC Department of Environmental Quality	\$ 5,417,500	\$ 79,845	\$ 53,400	\$ 133,245	\$ (5,284,255)
Total revenues	<u>5,417,500</u>	<u>79,845</u>	<u>53,400</u>	<u>133,245</u>	<u>(5,284,255)</u>
Expenditures:					
Engineering	609,730	105,646	102,284	207,930	401,800
Administration	660,410	160	3,907	4,067	656,343
Capital outlay	<u>4,147,360</u>	<u>-</u>	<u>108,722</u>	<u>108,722</u>	<u>4,038,638</u>
Total expenditures	<u>5,417,500</u>	<u>105,806</u>	<u>214,913</u>	<u>320,719</u>	<u>5,096,781</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (25,961)</u>	(161,513)	<u>\$ (187,474)</u>	<u>\$ (187,474)</u>
Fund balance, beginning			<u>(25,961)</u>		
Fund balance, ending			<u>\$ (187,474)</u>		

TOWN OF ORIENTAL

Schedule 9

**Schedule of Ad Valorem Taxes Receivable
June 30, 2026**

<u>Fiscal year:</u>	<u>Uncollected Balance June 30, 2025</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2026</u>
2025-2026	\$ -	\$ 615,588	\$ 601,010	\$ 14,578
2024-2025	22,779	-	15,137	7,642
2023-2024	13,894	-	7,945	5,949
2022-2023	12,344	-	6,323	6,021
2021-2022	1,073	-	316	757
2020-2021	1,012	-	140	872
2019-2020	1,540	-	74	1,466
2018-2019	6,889	-	-	6,889
2017-2018	16,167	-	-	16,167
2016-2017	2,279	-	-	2,279
2015-2016	2,322	-	2,322	-
	<u>\$ 80,299</u>	<u>\$ 615,588</u>	<u>\$ 633,267</u>	62,620
Less: allowance for uncollectible accounts:				<u>(15,655)</u>
Balance				<u>\$ 46,965</u>
Reconcilement with revenues:				
Ad valorem taxes - General Fund				\$ 642,920
Taxes written off				(2,322)
Less interest and penalties collected				<u>(7,331)</u>
Total collections and credits				<u>\$ 633,267</u>

TOWN OF ORIENTAL

Schedule 10

Analysis of Current Tax Levy Town -Wide Levy June 30, 2026

	Town-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxes at current year's rate	\$ 262,102,248	0.2200	\$ 576,625	\$ 576,625	\$ -
Registered motor vehicles at current year's rate	<u>19,086,360</u>	0.2200	<u>41,990</u>	<u>-</u>	<u>41,990</u>
Total property valuation	<u>\$ 281,188,608</u>				
Net levy			618,615	576,625	41,990
Uncollected taxes at June 30, 2026			<u>(14,578)</u>	<u>(14,578)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 604,037</u>	<u>\$ 562,047</u>	<u>\$ 41,990</u>
Current levy collection percentage			<u>97.64%</u>	<u>97.47%</u>	<u>100.00%</u>