
TOWN OF ORIENTAL

Financial Statements, Supplemental Schedules,
and Independent Auditor's Report
For the Year Ended June 30, 2025



C. Randolph CPA, PLLC
Certified Public Accountant

TOWN OF ORIENTAL

Town Officials

Town Council Members

Sally Belangia, Mayor

Allen Price, Mayor Pro-Tempore

Bonnie Crosser

Breena Litzenberger

Charlie Overcash

Sandy Winfrey

Administrative and Financial Staff

Diane H. Miller, Town Manager

Lisa Millington, Finance Officer

TOWN OF ORIENTAL

Table of Contents

<u>Exhibit</u>	<u>Page(s)</u>
Financial Section:	
<i>Independent Auditor's Report</i>	1-3
<i>Management's Discussion and Analysis</i>	4-12
Basic Financial Statements:	
Government-wide Financial Statements:	
1 Statement of Net Position	13
2 Statement of Activities	14
Fund Financial Statements:	
3 Balance Sheet - Governmental Funds	15
4 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
5 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
7 General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	19
8 Statement of Fund Net Position – Proprietary Fund	20
9 Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	21
10 Statement of Cash Flows	22
11 Statement of Fiduciary Net Position	23
12 Statement of Changes in Fiduciary Net Position	24
Notes to the Financial Statements	25-43

TOWN OF ORIENTAL

Table of Contents

<u>Schedule</u>	<u>Page(s)</u>
Required Supplemental Financial Data	
1 Schedule of the Proportionate Share of the Net Pension Liability – LGERS	44
2 Schedule of Contributions – LGERS	45
Individual Fund Statements and Other Schedules:	
3 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	46-49
4 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Capital Projects Fund	50
5 Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Fund	51
6 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Water Capital Projects Fund – Drinking Water Reserve and Wastewater Reserve	52
7 Schedule of Ad Valorem Taxes Receivable	53
8 Analysis of Current Tax Levy - Town-Wide Levy	54

C. Randolph CPA, PLLC
Certified Public Accountant
560 Beaver Creek School Rd.
West Jefferson, North Carolina 28694
Phone: (336) 846-3211
Fax: (336) 846-1142

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, 2025, 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, 2025, 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 4-12, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 43 through 44, 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

November 10, 2025

Management's Discussion and Analysis

As management of Town of Oriental, we offer readers of Town of Oriental's financial statements this narrative overview and analysis of the financial activities of Town of Oriental for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

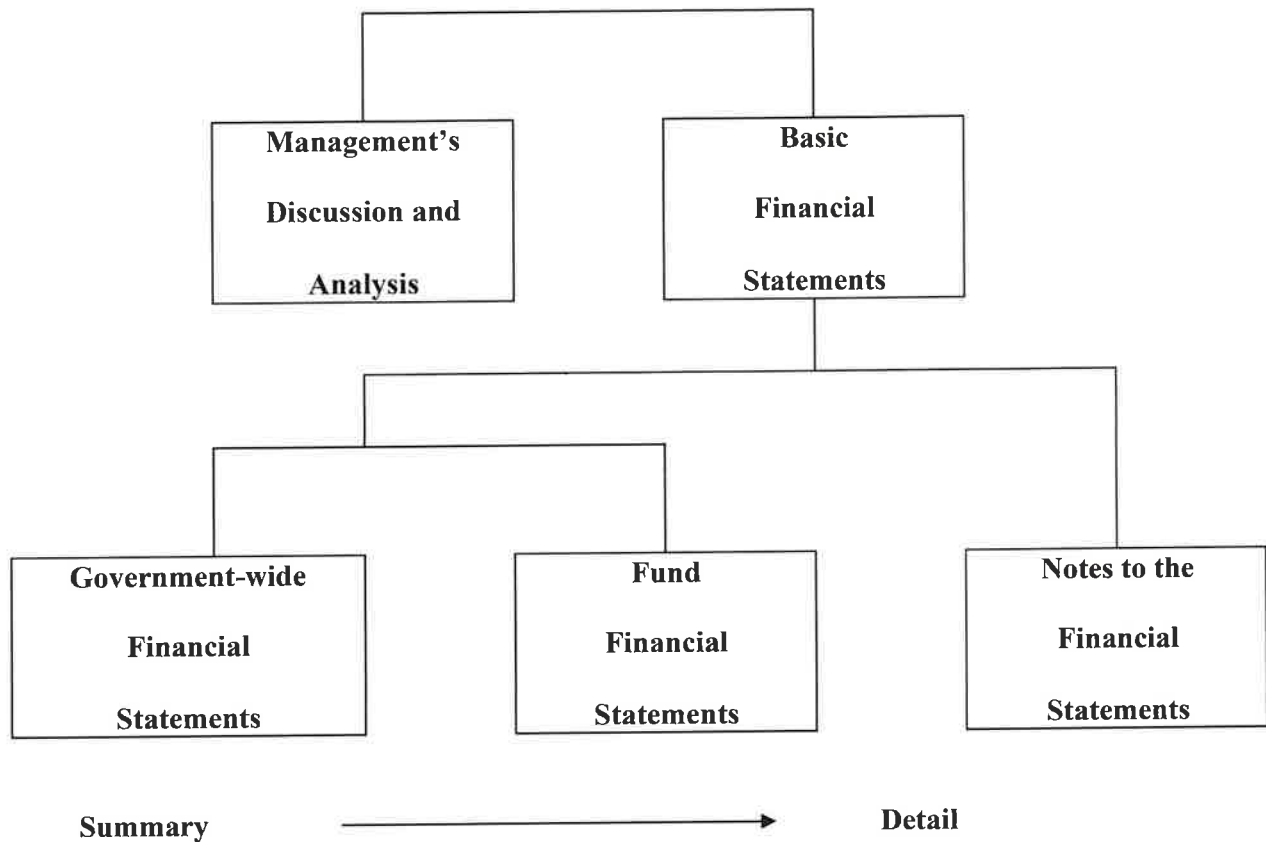
Financial Highlights

- The assets and deferred outflows of resources of Town of Oriental exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,069,855 (net position).
- The Town's total net position increased by \$243,191.
- As of the close of the current fiscal year, Town of Oriental's governmental funds reported combined ending fund balances of \$1,313,727 with a net increase of \$244,839 in fund balance. Approximately 47% of this total amount, or \$614,552, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$699,175, or 66% of total general fund expenditures for the fiscal year.

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 (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Town of Oriental.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, transportation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The town has no business-type activities.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Oriental, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Oriental can be divided into two categories: governmental funds and proprietary funds.

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

Town of Oriental adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund demonstrate how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary 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 used an enterprise fund to account for its water activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

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

Other Information – In additions to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the town's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

Town of Oriental's Net Position
Figure 2

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$1,418,159	\$1,172,458	\$499,646	\$336,241	\$1,917,805	\$1,508,699
Capital assets	2,646,581	2,740,930	981,970	915,660	3,628,551	3,656,590
Deferred outflows of resources	<u>97,111</u>	<u>124,383</u>	<u>97,111</u>	<u>124,383</u>	<u>194,222</u>	<u>248,766</u>
Total assets and deferred outflows of resources	<u>4,161,851</u>	<u>4,037,771</u>	<u>1,578,727</u>	<u>1,376,284</u>	<u>5,740,578</u>	<u>5,414,055</u>
Current liabilities	44,206	51,263	96,118	35,508	140,324	86,771
Noncurrent liabilities	301,467	239,662	203,020	209,389	504,487	449,051
Deferred inflows of resources	<u>12,956</u>	<u>14,625</u>	<u>12,956</u>	<u>14,625</u>	<u>25,912</u>	<u>29,250</u>
Total liabilities and deferred inflows of resources	<u>358,629</u>	<u>305,550</u>	<u>312,094</u>	<u>259,522</u>	<u>670,723</u>	<u>565,072</u>
Net position:						
Net investment in capital assets	2,646,581	2,740,930	981,970	915,660	3,628,551	3,656,590
Restricted	614,552	501,121	-	-	614,552	501,121
Unrestricted	<u>542,089</u>	<u>490,170</u>	<u>284,663</u>	<u>201,102</u>	<u>826,752</u>	<u>691,272</u>
Total net position	<u>\$3,803,222</u>	<u>\$3,732,221</u>	<u>\$1,266,633</u>	<u>\$1,116,762</u>	<u>\$5,069,855</u>	<u>\$4,848,983</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition.

The assets and deferred outflows of Town of Oriental exceeded liabilities and deferred inflows by \$5,069,855 as

of June 30, 2025. The Town's net position increased by \$243,191 for the fiscal year ended June 30, 2025. However, the largest portion (72%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Oriental uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Town of Oriental's net position, \$614,552, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$826,752 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 96.23%. The town contracts with Pamlico County to collect their taxes.

Town of Oriental's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>
Revenues:						
Program revenues:						
Charges for services	\$ 232,349	\$ 229,637	\$ 432,240	\$ 412,020	\$ 664,589	\$ 641,657
Operating grants and contributions	101,403	85,570	-	-	101,403	85,570
Capital grants and contributions	-	-	79,845	-	79,845	-
General revenues:						
Property taxes	599,913	588,857	-	-	599,913	588,857
Other taxes	351,926	387,465	-	-	351,926	387,465
Investment earnings	25,619	17,341	2,585	300	28,204	17,641
Other	<u>5,500</u>	<u>2,379</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>2,379</u>
Total revenues	<u>1,316,710</u>	<u>1,311,249</u>	<u>514,670</u>	<u>412,320</u>	<u>1,831,380</u>	<u>1,723,569</u>
Expenses:						
General government	479,688	522,591	-	-	479,688	522,591
Public safety	166,522	152,065	-	-	166,522	152,065
Transportation	37,172	31,267	-	-	37,172	31,267
Economic and physical development	70,478	104,903	-	-	70,478	104,903
Environmental protection	442,792	583,380	-	-	442,792	583,380
Capital project	-	4,900	-	-	-	4,900
Water and Sewer	<u>-</u>	<u>-</u>	<u>391,537</u>	<u>362,718</u>	<u>391,537</u>	<u>362,718</u>
Total expenses	<u>1,196,652</u>	<u>1,399,106</u>	<u>391,537</u>	<u>362,718</u>	<u>1,588,189</u>	<u>1,761,824</u>
Change in net position	<u>\$120,058</u>	<u>\$ (87,857)</u>	<u>\$123,133</u>	<u>\$49,602</u>	<u>\$243,191</u>	<u>\$ (38,255)</u>
Net position, beginning, as previously reported	\$3,732,221	\$3,741,733	\$1,116,762	\$1,225,108	\$4,848,983	\$4,966,841
Restatement	<u>(49,057)</u>	<u>78,345</u>	<u>26,738</u>	<u>(157,948)</u>	<u>(22,319)</u>	<u>(79,603)</u>
Net position, beginning, as restated	3,683,164	3,820,078	1,143,500	1,067,160	4,826,664	4,887,238
Change in net position	<u>120,058</u>	<u>(87,857)</u>	<u>123,133</u>	<u>49,602</u>	<u>243,191</u>	<u>(38,255)</u>
Net position, ending	<u>\$3,803,222</u>	<u>\$3,732,221</u>	<u>\$1,266,633</u>	<u>\$1,116,762</u>	<u>\$5,069,855</u>	<u>\$4,848,983</u>

Governmental Activities - Governmental activities increased the Town's net position by \$120,058. Key elements of the increase are as follows:

- Contributions for Whittaker Creek increased from the previous year.
- Investment earnings increased from the previous year.
- Expenses decreased from the previous year.

Business-type Activities – Business-type activities increased the town's net position by \$123,133.

Financial Analysis of the Town's Funds

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

Governmental Funds - The focus of Town of Oriental's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Town of Oriental's financing requirements.

The general fund is the chief operating fund of the Town of Oriental. At the end of the current fiscal year, the Town of Oriental's fund balance available in the general fund was \$699,175, while total fund balance reached \$1,232,427. The Town currently has an available fund balance of 66% of General Fund expenditures, while total fund balance represents 116% of the same amount.

At June 30, 2025, the governmental funds of Town of Oriental reported a combined fund balance of \$1,313,727, with a net increase in fund balance of \$244,839.

General Fund Budgetary Highlights - During the fiscal year, the Town revised the budget three times. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

There were several reasons the town revised its budget throughout the year. The Town amended the budget to accurately reflect changes in expenditures in the General Fund.

Capital Assets - Town of Oriental's investment in capital assets for its governmental and business-type activities as of June 30, 2025, totals \$3,628,551 (net of accumulated depreciation). These assets include land, buildings, vehicles, park facilities, and equipment.

There were no capital asset additions during the current year.

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

Figure 4

	<u>Governmental Activities</u>		<u>Business- Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 232,107	\$ 232,107	\$ -	\$ -	\$ 232,107	\$ 232,107
Construction in progress	-	-	105,806	-	105,806	-
Buildings and improvements	219,874	233,688	-	-	219,874	233,688
Infrastructure	48,798	50,845	-	-	48,798	50,845
Land improvements	2,079,087	2,135,197	-	-	2,079,087	2,135,197
Equipment and machinery	36,989	51,936	3,609	5,414	40,598	57,350
Vehicles	29,726	37,157	-	-	29,726	37,157
Water plant	-	-	872,555	910,246	872,555	910,246
Total	<u>\$2,646,581</u>	<u>\$2,740,930</u>	<u>\$981,970</u>	<u>\$ 915,660</u>	<u>\$3,628,551</u>	<u>\$3,656,590</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, 2025, the Town of Oriental has no debt.

North Carolina general statutes limit the amount of general obligation 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 of Oriental is \$21,971,200. The town has no bonds authorized or unissued at June 30, 2025.

Town of Oriental's Outstanding Long-Term Liabilities

Figure 5

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Compensated absences	\$ 98,447	\$ 30,273	\$ -	\$ -	\$ 98,447	\$ 30,273
Net pension liability	<u>203,020</u>	<u>209,389</u>	<u>203,020</u>	<u>209,389</u>	<u>406,040</u>	<u>418,778</u>
Total	<u>\$ 301,467</u>	<u>\$ 239,662</u>	<u>\$203,020</u>	<u>\$209,389</u>	<u>\$504,487</u>	<u>\$449,051</u>

Economic Factors and Next Year's Budgets and Rates

The following contributed to the fiscal situation of the Town:

The inflated economy had us budgeting 2024-2025 for additional costs, which is common, for repeatedly ordered items. The potential for tariff costs to be added in had some manufacturers adding cost ahead. In light of all customers facing inflation on utility costs, food, housing, and health care, the Board did not raise taxes or most fees, in order to not impact those who could least afford those. The upper levels of water rates- those who use the most, were raised slightly. Also- user fees were raised or incorporated, affecting only those who would participate in the service.

Investment of idle cash into NCCMT has provided a significant return on both General Fund and restricted individual funds.

Budget Highlights for the Fiscal Year Ending June 30, 2026

In 2025-2026, the Board was forced to raise water rates to cover the operational cost of the water treatment plant, along with adding credit card fees and paper billing fees to account for the increased cost to the Town of providing those services. Our printing company filed for bankruptcy, and the next available service was nearly double what we had been paying.

The largest projects we are undertaking are grant funded, so focus was not on budgeted items as much for 2025-2026. The Whittaker Creek Dredge will be completed before the end of FY 25-26. Decrease in staff in Public Works and Police for 2025-2026 also decreased those departments.

In reorganizing the Administration department, the Town has caught up on the last deficiency of reconciliations and is current YTD. This allows us to monitor more closely the potential for working within the budget to finance new or exigent solutions.

Public Works prioritizes work orders, in order to continue to serve the interests of the citizens best, delaying larger, longer-term issues until arrangements can be made to address them.

With the loss of one of our two Police Officers, the Board will likely allow the new Board coming in to address the reorganization (or not) of the Police Department and discuss filling that position, and the costs associated with that reorganization.

The Manager is concerned that there is no buffer in the 2025-2026 budget, and that appropriating general fund is the only way to pay for things that arise unexpectedly.

We continue to contract water meter reading and mowing in order to remove the burden from Public Works and allow them to keep with daily tasks.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the 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, 2025

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 766,920	\$ 354,415	\$ 1,121,335
Taxes receivable (net)	60,225	-	60,225
Accounts receivable (net)	15,149	25,819	40,968
Grants receivable	-	27,525	27,525
Inventory	-	56,490	56,490
Due from other governments	81,798	-	81,798
Restricted cash and cash equivalents	494,067	35,397	529,464
Total current assets	<u>1,418,159</u>	<u>499,646</u>	<u>1,917,805</u>
Noncurrent assets:			
Capital assets:			
Land, non-depreciable improvements	-	-	-
Other capital assets, net of depreciation	2,646,581	981,970	3,628,551
Total capital assets	<u>2,646,581</u>	<u>981,970</u>	<u>3,628,551</u>
Total assets	<u>4,064,740</u>	<u>1,481,616</u>	<u>5,546,356</u>
<u>Deferred Outflows of Resources</u>			
Pension deferrals	<u>97,111</u>	<u>97,111</u>	<u>194,222</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued expenses	44,206	60,721	104,927
Customer deposits	-	35,397	35,397
Total current liabilities	<u>44,206</u>	<u>96,118</u>	<u>140,324</u>
Long-term liabilities:			
Net pension liability	203,020	203,020	406,040
Due in more than one year	98,447	-	98,447
Total liabilities	<u>345,673</u>	<u>299,138</u>	<u>644,811</u>
<u>Deferred Inflows of Resources</u>			
Pension deferrals	<u>12,956</u>	<u>12,956</u>	<u>25,912</u>
<u>Net Position</u>			
Net investment in capital assets	2,646,581	981,970	3,628,551
Restricted for:			
Stabilization by state statute	96,947	-	96,947
Streets	175,234	-	175,234
Economic development	261,071	-	261,071
Capital project	81,300	-	81,300
Unrestricted	542,089	284,663	826,752
Total net position	<u>\$ 3,803,222</u>	<u>\$ 1,266,633</u>	<u>\$ 5,069,855</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, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 479,688	\$ 76,942	\$ 2,299	\$ -	\$ (400,447)	\$ -	\$ (400,447)
Public safety	166,522	341	-	-	(166,181)	-	(166,181)
Transportation	37,172	-	51,154	-	13,982	-	13,982
Environmental protection	442,792	114,214	-	-	(328,578)	-	(328,578)
Economic and physical development	70,478	40,852	-	-	(29,626)	-	(29,626)
Capital project	-	-	47,950	-	47,950	-	47,950
Total governmental activities	1,196,652	232,349	101,403	-	(862,900)	-	(862,900)
Business-type Activities:							
Water Fund	391,537	432,240	-	79,845	-	120,548	120,548
General revenues:							
Taxes:							
Property taxes, levied for general purpose					599,913	-	599,913
Local option sales tax					268,674	-	268,674
Other taxes					83,252	-	83,252
Miscellaneous					5,500	-	5,500
Unrestricted investment earnings					25,619	2,585	28,204
Total general revenues not including transfers					982,958	2,585	985,543
Change in net position					\$ 120,058	\$ 123,133	\$ 243,191
Net position, beginning, as previously reported					\$ 3,732,221	\$ 1,116,762	\$ 4,848,983
Restatement					(49,057)	26,738	(22,319)
Net position, beginning, as restated					3,683,164	1,143,500	4,826,664
Change in net position					120,058	123,133	243,191
Net position, ending					\$ 3,803,222	\$ 1,266,633	\$ 5,069,855

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

TOWN OF ORIENTAL**Exhibit 3****Balance Sheet
Governmental Funds
June 30, 2025**

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Non-Major</u> <u>Fund</u> <u>Capital</u> <u>Project Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 766,920	\$ -	\$ 766,920
Receivables, net:			
Taxes	60,225	-	60,225
Accounts receivable	15,149	-	15,149
Due from other governments	81,798	-	81,798
Restricted cash and cash equivalents	<u>412,767</u>	<u>81,300</u>	<u>494,067</u>
Total assets	<u>\$ 1,336,859</u>	<u>\$ 81,300</u>	<u>\$ 1,418,159</u>
<u>Liabilities</u>			
Accounts payable and accrued liabilities	<u>44,206</u>	<u>-</u>	<u>44,206</u>
<u>Deferred inflows of resources</u>			
Property taxes receivable	<u>60,226</u>	<u>-</u>	<u>60,226</u>
<u>Fund balances</u>			
Restricted:			
Stabilization by State Statute	96,947	-	96,947
Streets	175,234	-	175,234
Economic development	261,071	-	261,071
Capital project	-	81,300	81,300
Assigned:			
Subsequent year's expenditures	-	-	-
Unassigned	<u>699,175</u>	<u>-</u>	<u>699,175</u>
Total fund balances	<u>1,232,427</u>	<u>81,300</u>	<u>1,313,727</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,336,859</u>	<u>\$ 81,300</u>	<u>\$ 1,418,159</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, 2025**

Total fund balances, governmental funds \$ 1,313,727

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	\$ 3,631,847	
Accumulated depreciation	<u>(985,266)</u>	2,646,581

Deferred outflows of resources related to pensions are not reported
in the funds 97,111

Liabilities for earned revenues are considered deferred inflows of resources in
fund statements

Property taxes receivable	60,226
---------------------------	--------

Deferred inflows of resources related to pensions are not reported in the funds (12,956)

Long-term liabilities are not due and payable in the current period and
therefore are not reported in the funds.

Compensated absences	(98,447)
Net pension liability	<u>(203,020)</u>

Net position of governmental activities \$ 3,803,222

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, 2025

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Non-Major</u> <u>Fund</u> <u>Capital</u> <u>Project</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Ad valorem taxes	\$ 591,995	\$ -	\$ 591,995
Occupancy tax	40,852	-	40,852
Unrestricted intergovernmental	351,926	-	351,926
Restricted intergovernmental	53,453	47,950	101,403
Sales and services	196,997	-	196,997
Investment earnings	<u>25,619</u>	<u>-</u>	<u>25,619</u>
Total revenues	<u>1,260,842</u>	<u>47,950</u>	<u>1,308,792</u>
Expenditures:			
General government	431,812	-	431,812
Public safety	150,574	-	150,574
Transportation	23,019	-	23,019
Environmental protection	411,656	-	411,656
Economic and physical development	46,892	-	46,892
Capital project	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,063,953</u>	<u>-</u>	<u>1,063,953</u>
Total expenditures			
Net change in fund balances	196,889	47,950	244,839
Fund balances, beginning	<u>1,035,538</u>	<u>33,350</u>	<u>1,068,888</u>
Fund balance - ending	<u>\$ 1,232,427</u>	<u>\$ 81,300</u>	<u>\$ 1,313,727</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, 2025**

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

Net changes in fund balances - total governmental funds	\$ 244,839
---	------------

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	(94,350)
--	----------

Contributions to the pension plan in the current year are not included on the Statement of Activities	65,346
---	--------

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	7,918
Other	21,878

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	(106,457)
Compensated absences	<u>(19,116)</u>

Total changes in net position of governmental activities	<u>\$ 120,058</u>
--	-------------------

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

TOWN OF ORIENTAL**Exhibit 7**

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 573,816	\$ 573,816	\$ 591,995	\$ 18,179
Occupancy tax	44,800	44,800	40,852	(3,948)
Unrestricted intergovernmental revenues	321,521	321,521	351,926	30,405
Restricted intergovernmental revenues	51,364	65,019	53,453	(11,566)
Sales and services	186,040	186,040	196,997	10,957
Investment earnings	<u>11,500</u>	<u>11,500</u>	<u>25,619</u>	<u>14,119</u>
Total revenues	<u>1,189,041</u>	<u>1,202,696</u>	<u>1,260,842</u>	<u>58,146</u>
Expenditures:				
General government	461,213	459,932	431,812	28,120
Public safety	142,251	154,481	150,574	3,907
Transportation	62,330	67,330	23,019	44,311
Environmental protection	518,847	470,512	411,656	58,856
Economic and physical development	<u>46,000</u>	<u>62,390</u>	<u>46,892</u>	<u>15,498</u>
Total expenditures	<u>1,230,641</u>	<u>1,214,645</u>	<u>1,063,953</u>	<u>150,692</u>
Revenues over (under) expenditures	(41,600)	(11,949)	196,889	208,838
Other Financing Sources (Uses):				
Fund balance appropriated	<u>41,600</u>	<u>11,949</u>	<u>-</u>	<u>(11,949)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	196,889	<u>\$ 196,889</u>
Fund balance-beginning			<u>1,035,538</u>	
Fund balance - ending			<u>\$ 1,232,427</u>	

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

TOWN OF ORIENTAL**Exhibit 8****Statement of Fund Net Position - Proprietary Fund
June 30, 2025**

	<u>Enterprise Fund</u> <u>Water Fund</u>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 354,415
Accounts receivables, net	25,819
Grants receivable	27,525
Inventory	56,490
Restricted cash and cash equivalents	35,397
Total current assets	<u>499,646</u>
Noncurrent assets:	
Capital assets:	
Water systems, net of depreciation	872,555
Construction in progress	105,806
Other capital assets, net of depreciation	3,609
Total noncurrent assets	<u>981,970</u>
Total assets	<u>1,481,616</u>
<u>Deferred Outflows of Resources</u>	
Pension deferrals	<u>97,111</u>
<u>Liabilities</u>	
Accounts payable	60,721
Liabilities payable from restricted assets:	
Customer deposits	35,397
Noncurrent liabilities:	
Net pension liability	203,020
Total liabilities	<u>299,138</u>
<u>Deferred Inflows of Resources</u>	
Pension deferrals	<u>12,956</u>
<u>Net Position</u>	
Net investment in capital assets	981,970
Unrestricted	284,663
Total net position	<u>\$ 1,266,633</u>

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

TOWN OF ORIENTAL**Exhibit 9****Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2025**

	Enterprise Fund Water Fund
Operating Revenues:	
Operating revenues:	
Charges for services	\$ 431,236
Miscellaneous	<u>1,004</u>
Total operating revenues	<u>432,240</u>
Operating Expenses:	
Water and sewer administration	170,037
Water treatment	182,004
Depreciation	<u>39,496</u>
Total operating expenses	<u>391,537</u>
Operating income	40,703
Non-Operating Revenues (Expenses):	
Capital contributions	79,845
Interest earnings	<u>2,585</u>
Change in net position	<u>\$ 123,133</u>
Net position, beginning as previously reported	\$ 1,116,762
Prior period adjustment	<u>26,738</u>
Net position, beginning, as restated	1,143,500
Change in net position	<u>123,133</u>
Net position, ending, as restated	<u>\$ 1,266,633</u>

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

TOWN OF ORIENTAL**Exhibit 10****Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2025**

	<u>Major Enterprise Fund</u> <u>Water Fund</u>
Cash Flows From Operating Activities:	
Cash received from customers	\$ 469,989
Cash paid for goods and services	(238,826)
Cash paid to or on behalf of employees for services	(123,203)
Net cash provided (used) by operating activities	<u>107,960</u>
 Cash Flows from Noncapital and Related Financing Activities:	
Prior period adjustment	<u>26,737</u>
 Cash Flows from Investing Activities:	
Construction in progress - Water Capital Project	(105,806)
Capital contributions	79,845
Interest on investments	2,585
Net cash provided (used) by investing activities	<u>(23,376)</u>
 Net increase (decrease) in cash and cash equivalents	111,321
 Balances, beginning	<u>278,491</u>
Balances, ending	<u>\$ 389,812</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:	
Operating income	\$ <u>40,703</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	(22,861)
(Increase) decrease in inventory	(29,223)
(Increase) decrease in deferred outflows of resources	27,272
Increase (decrease) in accounts payable and accrued liabilities	60,721
Increase (decrease) in deferred inflows of resources	(1,669)
Increase (decrease) in net pension liability	(6,369)
Increase (decrease) in customer deposits	(110)
Total adjustments	<u>67,257</u>
Net cash provided (used) by operating activities	<u>\$ 107,960</u>

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

TOWN OF ORIENTAL

Exhibit 11

**Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2025**

	<u>Custodial Fund</u>
<u>Assets</u>	
Current assets:	
Customer receivables, net	\$ 32,479
Total assets	<u>32,479</u>
<u>Liabilities</u>	
Customer deposits	<u>24,005</u>
<u>Net Position</u>	
Restricted for other organizations	<u>8,474</u>
Total net position	<u>\$ 8,474</u>

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

TOWN OF ORIENTAL**Exhibit 12****Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2025**

	<u>Custodial Fund</u>
<u>Additions:</u>	
Sewer revenues collected for other governments	\$ <u>343,948</u>
Total additions	<u>343,948</u>
<u>Deductions:</u>	
Revenue distributions to other govenments	<u>346,575</u>
Total deductions	<u>346,575</u>
Net increase (decrease) in fiduciary net position	(2,627)
Net position, beginning	<u>11,101</u>
Net position, ending	\$ <u>8,474</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, 2025

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

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.

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.

Water Capital Project Fund – This fund is used to account for Drinking Water Reserve and Wastewater Reserve grant funds.

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 Guilford 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. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Capital Projects Fund and the ARPA Special Revenue Fund, which is consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for multi-year funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law (G.S. 159-30 (c)) authorizes the Town 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 NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools 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

Restricted assets consist of the following:

Town of Oriental Restricted Cash:

Governmental activities

General Fund:

Streets	\$151,695
Capital project	81,300
Economic development	<u>261,072</u>
Total Governmental Activities	<u>494,067</u>

Business-type Activities

Water Fund:

Customer deposits	<u>35,397</u>
Total Business-type Activities	<u>35,397</u>
Total Restricted Cash	<u>\$529,464</u>

4. Ad Valorem Taxes Receivable

In accordance with State Law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 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 6th. These taxes are based on the assessed values of January 1, 2024. 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. 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 vacation policy of the Town provides for the accumulation of up to thirty (30) days' earned vacation leave with such leave being fully vested when earned. Any employee with more than thirty days of accumulated leave shall have the excess accumulation converted to sick leave so that only thirty days of vacation time is carried forward to January 1 of the next calendar. For the Towns government-wide funds, and expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town provides for one day per month sick leave and may be accumulated with no limit. 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. With the implementation of GASB No. 101, the Town will estimate what sick leave is "more likely than not to be paid or used" and recognize that portion as a liability for compensated absences and salary-related payments. An

expense and a liability for compensated absences and salary-related payments are recorded as the leave is earned and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

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 Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. 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 – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), this is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as 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.

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). Any changes or removal of specific purpose requires majority action by the governing body.

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 in 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.

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, 2025.
- B. Excess of Expenditures over Appropriations
There were no expenditures in excess of appropriations during the year ended June 30, 2025.
- 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, 2025.

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, 2025, the Town's deposits had a carrying amount of \$853,075, and a bank balance of \$934,855. 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.

2. Investments

At June 30, 2025, the Town of Oriental had \$797,574 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, 2025.

3. Receivables - Allowance for Doubtful Accounts

The amounts presented in the fund Balance Sheet and the Statement of Net Position for the year ended June 30, 2025, are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$20,075
Enterprise Fund:	
Water fund – accounts receivable	<u>2,869</u>
Total	<u>\$22,944</u>

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2024, 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	\$ 232,107	\$ -	\$ -	\$232,107
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>232,107</u>	<u>-</u>	<u>-</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	-	-	277,195
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>3,399,737</u>
Less accumulated depreciation for:				
Buildings	167,956	13,814	-	181,770
Infrastructure	10,578	2,047	-	12,625
Improvements	258,863	56,111	-	314,973
Equipment and machinery	225,260	14,946	-	240,205
Office furniture and equipment	25,454	-	-	25,454
Vehicles	<u>202,804</u>	<u>7,432</u>	-	<u>210,236</u>
Total accumulated depreciation	<u>890,915</u>	<u>94,350</u>	-	<u>985,263</u>
Total capital assets being depreciated, net	<u>2,508,822</u>	-	-	<u>2,414,474</u>
Governmental activity capital assets, net	<u>\$2,740,930</u>			<u>\$2,646,581</u>

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

General Government	\$17,927
Public safety	7,548
Transportation	14,153
Environmental protection	31,136
Economic and physical development	<u>23,586</u>
Total	<u>\$94,350</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	\$ -	\$ 105,806
Capital Assets Being Depreciated:				
Water Plant	2,403,227	-	-	2,403,227
Equipment	82,854	-	-	82,854
Vehicles	<u>14,790</u>	<u>-</u>	<u>-</u>	<u>14,790</u>
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	1,492,659	37,691	-	1,530,350
Equipment	77,762	1,805	-	79,567
Vehicles	<u>14,790</u>	<u>-</u>	<u>-</u>	<u>14,790</u>
Total accumulated depreciation	<u>1,585,211</u>	<u>39,496</u>	<u>-</u>	<u>1,624,707</u>
Total capital assets being depreciated	<u>915,660</u>			<u>876,164</u>
Business activity capital assets, net	<u>\$915,600</u>			<u>\$981,970</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 (LEOSs) 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, 2025, was 13.60% for general employees and 15.04% 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 \$65,346 for the year ended June 30, 2025.

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

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

At June 30, 2025, the Town reported a liability of \$203,020 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2024, utilizing update procedures incorporating the actuarial assumptions. The Town's 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 0.00602%, which was a decrease of 0.0003% from its proportion measures as of June 30, 2023.

a. Local Governmental Employees' Retirement System

For the year ended June 30, 2025, the Town recognized pension expense of \$106,457. At June 30, 2025, 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	\$71,153	\$ 478
Changes of assumptions	-	-
Net difference between projected and actual earning on pension plan investments	55,201	-
Changes in proportion and difference between Town contributions and proportionate share of contributions	-	25,434
Town contributions subsequent to the measurement date	<u>67,868</u>	<u>-</u>
Total	<u>\$194,222</u>	<u>\$25,912</u>

\$67,868 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, 2025. 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:	
2026	\$ 26,805
2027	69,873
2028	10,007
2029	(6,242)
2030	-
Thereafter	<u>-</u>
	<u>\$100,443</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	2.5 percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment Rate of Return	6.50 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, 2024, valuation was based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by 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, 2025, 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	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

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

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$719,513	\$406,040	\$148,164

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 expense for all pension plans:

	<u>LGERS</u>
Pension Expense	\$106,457
Pension Liability	406,040
Proportionate share of the net pension liability	0.00602%
Deferred Outflows of Resources:	
Difference between expected and actual experience	71,153
Changes of assumptions	-
Net difference between projected and actual earnings on plan investments	55,201

Changes in proportion and difference between contributions and proportionate share of contributions	\$ -
Benefit payments and administrative costs paid subsequent to the measurement date	67,867
Deferred Inflows of Resources:	
Differences between expected and actual experience	\$478
Changes of assumptions	-
Net difference between projected and actual earnings on plan investments	-
Changes in proportion and differences between contributions and proportionate share of contributions	25,433

b. Supplemental Retirement Income Plan

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to 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 \$4,269 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 comprised of the following:

Contributions to pension plan in current fiscal year	\$67,867
Difference between expected and actual experience	71,153
Changes of assumptions	-
Net difference between projected and actual earnings	55,202
Changes in proportion and differences between employer contributions and proportionate share of contributions	-
Total	<u>\$194,222</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)	\$ -	\$60,226
Difference between projected and actual earnings	478	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>25,434</u>	<u>-</u>
Total	<u>\$25,912</u>	<u>\$60,226</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.

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>\$1,232,427</u>
Less:	
Stabilization by State Statute	96,947
Streets-Powell Bill	175,234
Economic development	261,071
Appropriated fund balance in 2026 budget	<u>-</u>
Remaining fund balance	<u>\$699,175</u>

Economic development fund balance consists of the following:

Occupancy – 50% - Waterfront enhancement	\$148,364
Occupancy – 20% - Parks and Recreation	11,539
Occupancy – Tourism - Heads in Beds	70,919
Tree board donations	3,076
Parks and recreation donations	350
Tennis court donations	376
Capital reserve – Police	9,501
Capital reserve – Public Works	<u>16,946</u>
Total	<u>\$261,071</u>

5. Claims, Judgements and Contingent Liabilities

No claims or judgments existed at June 30, 2025.

6. Long-Term Obligations

a. Changes in Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Compensated absences	\$ 30,273	\$95,140	\$ 26,966	\$ 98,447	\$ -
Net Pension liability (LGRS)	<u>209,389</u>	<u>-</u>	<u>6,369</u>	<u>203,020</u>	<u>-</u>
Total	<u>\$239,662</u>	<u>\$95,140</u>	<u>\$33,335</u>	<u>\$301,467</u>	<u>\$ -</u>
 Business-type Activities:					
Net pension liability (LGRS)	<u>\$209,389</u>	<u>\$ -</u>	<u>\$ 6,369</u>	<u>\$203,020</u>	<u>\$ -</u>
Total	<u>\$209,389</u>	<u>\$ -</u>	<u>\$ 6,369</u>	<u>\$203,020</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. Change in Accounting Principle

GASB Statement No. 101, Compensated Absences, was implemented for the current year. The implementation resulted in a prior period adjustment of \$49,057, that is reported in the Statement of Activities. See Note I, Summary of Significant Accounting Policies, 10, Compensated Absences for further discussion.

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. Significant Effects of Subsequent Events

Management has evaluated subsequent events through November 10, 2025, 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

**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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset) (%)	0.00602%	0.00632%	0.00711%	0.00725%	0.00754%	0.00720%	0.00681%	0.00601%	0.00610%	0.00559%
Proportion of the net pension liability (asset) (\$)	\$ 406,039	\$ 418,778	\$ 401,106	\$ 111,186	\$ 269,436	\$ 196,626	\$ 161,556	\$ 91,816	\$ 129,462	\$ 25,088
Town of Oriental's covered-employee payroll	\$ 554,118	\$ 507,854	\$ 495,140	\$ 477,857	\$ 484,898	\$ 413,397	\$ 354,168	\$ 352,757	\$ 348,361	\$ 339,154
Town of Oriental's Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	73.28%	82.46%	81.01%	23.27%	55.57%	47.56%	45.62%	26.03%	37.16%	7.40%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	82.49%	85.14%	95.51%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. 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 2

**Town of Oriental's Contributions
Required Supplementary Information
Last Ten Fiscal Years
Local Government Employees' Retirement System (LGERS)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 67,867	\$ 72,222	\$ 62,274	\$ 56,806	\$ 49,042	\$ 43,999	\$ 31,794	\$ 26,807	\$ 24,693	\$ 20,416
Contributions in relation to the contractually required contributions	<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>	<u>20,416</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	\$ 502,863	\$ 554,118	\$ 507,854	\$ 495,140	\$ 477,857	\$ 484,898	\$ 413,397	\$ 354,168	\$ 352,757	\$ 348,361
Contributions as a percentage of covered-employee payroll	13.50%	13.03%	12.26%	11.47%	10.26%	9.07%	7.69%	7.57%	7.00%	5.86%

**INDIVIDUAL FUND
SCHEDULES AND
OTHER SCHEDULES**

TOWN OF ORIENTAL**Schedule 3****Page 1 of 4**

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	<u>2025</u>		<u>Variance</u>	<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes:				
Taxes	\$ 571,316	\$ 589,561	\$ 18,245	\$ 586,372
Penalties and interest	2,500	2,434	(66)	2,831
Total	<u>573,816</u>	<u>591,995</u>	<u>18,179</u>	<u>589,203</u>
Other taxes and licenses:				
Occupancy tax	<u>44,800</u>	<u>40,852</u>	<u>(3,948)</u>	<u>41,447</u>
Unrestricted intergovernmental revenues:				
Local option sales tax	245,280	268,674	23,394	288,541
Federal and state gas refund	6,500	1,313	(5,187)	18,801
Franchise tax	64,960	77,652	12,692	75,158
Beer and wine tax	4,192	3,593	(599)	4,279
Solid waste disposal tax	589	694	105	686
Total	<u>321,521</u>	<u>351,926</u>	<u>30,405</u>	<u>387,465</u>
Restricted intergovernmental revenues:				
Various grants	2,689	2,299	(390)	990
Tourism	16,000	-	(16,000)	-
Powell Bill allocation	46,330	51,154	4,824	46,330
Total	<u>65,019</u>	<u>53,453</u>	<u>(11,566)</u>	<u>47,320</u>
Sales and Services:				
Solid waste fees	110,000	114,214	4,214	102,079
Recycling fees	62,600	65,067	2,467	63,349
Zoning and permit fees	12,000	11,875	(125)	18,225
Police fees	60	341	281	4,537
Other	1,380	5,500	4,120	2,379
Total	<u>186,040</u>	<u>196,997</u>	<u>10,957</u>	<u>190,569</u>
				cont.

TOWN OF ORIENTAL**Schedule 3****Page 2 of 4**

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	<u>2025</u>		<u>Variance</u>	<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Investment earnings	\$ 11,500	\$ 25,619	\$ 14,119	\$ 17,341
Total Revenues	<u>1,202,696</u>	<u>1,260,842</u>	<u>58,146</u>	<u>1,273,345</u>
Expenditures:				
General Government				
Administration:				
Salaries and employee benefits	-	303,302	-	309,208
Legal and professional fees	-	20,799	-	40,173
Dues and subscriptions	-	8,038	-	8,698
Office expenses	-	5,502	-	8,175
Tax billing	-	12,072	-	12,320
Utilities	-	12,913	-	16,433
Insurance	-	33,723	-	28,519
Other operating expenditures	-	34,881	-	43,154
Capital outlay	-	-	-	5,780
Repairs and maintenance	-	582	-	688
Total General Government	<u>459,932</u>	<u>431,812</u>	<u>28,120</u>	<u>473,148</u>
Public Safety:				
Police:				
Salaries and employee benefits	-	134,973	-	132,832
Supplies	-	114	-	160
Vehicle expenses	-	2,583	-	1,333
Other operating expenses	-	12,904	-	10,437
Total Public Safety	<u>154,481</u>	<u>150,574</u>	<u>3,907</u>	<u>144,762</u>
				cont.

TOWN OF ORIENTAL**Schedule 3****Page 3 of 4**

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	<u>2024</u>		<u>Variance</u>	<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Transportation:				
Streets and Highways:				
Street lights	\$ -	\$ 18,599	\$ -	\$ 17,574
Other operating expenditures	-	4,420	(4,420)	-
Total Transportation	<u>67,330</u>	<u>23,019</u>	<u>44,311</u>	<u>17,574</u>
Environmental Protection:				
Public Works:				
Salaries and employee benefits	-	156,583	-	268,149
Contract - garbage collection	-	89,699	-	111,009
Mosquito control	-	2,600	-	7,964
Tipping fees	-	34,008	-	35,440
Recycling	-	65,883	-	64,835
Vehicle expenses	-	11,491	-	18,569
Other operating expenditures	-	51,392	-	47,289
Capital outlay	-	-	-	37,158
Total Environmental Protection	<u>470,512</u>	<u>411,656</u>	<u>58,856</u>	<u>590,413</u>
Economic and Physical Development				
Operating expenditures	-	46,892	-	82,081
Total Economic and Physical Development	<u>62,390</u>	<u>46,892</u>	<u>15,498</u>	<u>82,081</u>
Total Expenditures	<u>1,214,645</u>	<u>1,063,953</u>	<u>150,692</u>	<u>1,307,978</u>
Revenues over (under) expenditures	<u>(11,949)</u>	<u>196,889</u>	<u>208,838</u>	<u>(34,633)</u>
				cont.

TOWN OF ORIENTAL**Schedule 3****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, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	<u>2025</u>		<u>Variance Positive (Negative)</u>	<u>2024 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Other Financing Sources (Uses):				
Fund balance appropriation	\$ 11,949	\$ -	\$ (11,949)	\$ -
Total	<u>11,949</u>	<u>-</u>	<u>(11,949)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 196,889</u>	<u>\$ 196,889</u>	<u>\$ (34,633)</u>
Fund balance-beginning, as previously reported		\$ 1,035,538		\$ 991,826
Prior period adjustment		<u>-</u>		<u>78,345</u>
Fund balance - beginning, as restated		1,035,538		1,070,171
Net change in fund balance		<u>196,889</u>		<u>(34,633)</u>
Fund balance - ending		<u>\$ 1,232,427</u>		<u>\$ 1,035,538</u>

TOWN OF ORIENTAL

Schedule 4

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, 2025

		<u>Actual</u>			
	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u> <u>to</u> <u>Date</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues:					
NC Department of Environmental Quality	\$ 114,750	\$ -	\$ -	\$ -	\$ (114,750)
Friends of Whittaker Creek	<u>38,250</u>	<u>38,250</u>	<u>47,950</u>	<u>86,200</u>	<u>47,950</u>
Total revenues	<u>153,000</u>	<u>38,250</u>	<u>47,950</u>	<u>86,200</u>	<u>(66,800)</u>
Expenditures:					
Contract services	<u>153,000</u>	<u>4,900</u>	<u>-</u>	<u>4,900</u>	<u>148,100</u>
Total expenditures	<u>153,000</u>	<u>4,900</u>	<u>-</u>	<u>4,900</u>	<u>148,100</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 33,350</u>	<u>47,950</u>	<u>\$ 81,300</u>	<u>\$ 81,300</u>
Fund balance, beginning			<u>33,350</u>		
Fund balance, ending			<u>\$ 81,300</u>		

TOWN OF ORIENTAL

Schedule 5

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

Water Fund

For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$ -	\$ 431,236	\$ -
Miscellaneous	-	1,004	-
Nonoperating revenues:			
Interest earnings	-	2,585	-
Total revenues	<u>416,250</u>	<u>434,825</u>	<u>18,575</u>
Expenditures:			
Water and sewer administration:			
Salaries and employee benefits	-	109,435	-
Other operating expenditures	-	60,602	-
Total water and sewer administration	<u>201,168</u>	<u>170,037</u>	<u>31,131</u>
Water treatment:			
Other operating expenditures	-	182,004	-
Total water treatment	<u>222,729</u>	<u>182,004</u>	<u>40,725</u>
Total expenditures	<u>423,897</u>	<u>352,041</u>	<u>71,856</u>
Revenues over (under) expenditures	(7,647)	82,784	90,431
Other Financing Sources (Uses):			
Fund balance appropriated	<u>7,647</u>	-	<u>(7,647)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	82,784	<u>\$ 82,784</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(39,496)	
Water Capital Project Fund:			
Capital outlay		105,806	
Revenues over (under) expenditures		<u>(25,961)</u>	
Change in net position		<u>\$ 123,133</u>	

TOWN OF ORIENTAL

Schedule 6

**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, 2025**

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
NC Department of Environmental Quality	\$ 5,417,500	\$ -	\$ 79,845	\$ 79,845	\$ (5,337,655)
Total revenues	<u>5,417,500</u>	<u>-</u>	<u>79,845</u>	<u>79,845</u>	<u>(5,337,655)</u>
Expenditures:					
Engineering	609,730	-	105,646	105,646	504,084
Administration	660,410	-	160	160	660,250
Capital outlay	<u>4,147,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,147,360</u>
Total expenditures	<u>5,417,500</u>	<u>-</u>	<u>105,806</u>	<u>105,806</u>	<u>5,311,694</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(25,961)</u>	<u>\$ (25,961)</u>	<u>\$ (25,961)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (25,961)</u>		

TOWN OF ORIENTAL

Schedule 7

**Schedule of Ad Valorem Taxes Receivable
June 30, 2025**

<u>Fiscal year:</u>	<u>Uncollected Balance June 30, 2024</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2025</u>
2024-2025	\$ -	\$ 604,208	\$ 581,429	\$ 22,779
2023-2024	17,875	-	3,981	13,894
2022-2023	13,277	-	933	12,344
2021-2022	4,594	-	3,521	1,073
2020-2021	1,050	-	38	1,012
2019-2020	1,573	-	33	1,540
2018-2019	6,889	-	-	6,889
2017-2018	16,167	-	-	16,167
2016-2017	2,279	-	-	2,279
2015-2016	2,322	-	-	2,322
2014-2015	3,717	-	3,717	-
	<u>\$ 69,743</u>	<u>\$ 604,208</u>	<u>\$ 593,652</u>	80,299
Less: allowance for uncollectible accounts:				<u>(20,075)</u>
Balance				<u>\$ 60,224</u>
Reconcilement with revenues:				
Ad valorem taxes - General Fund				\$ 591,995
Taxes written off				(3,717)
Other				7,808
Less interest and penalties collected				<u>(2,434)</u>
Total collections and credits				<u>\$ 593,652</u>

TOWN OF ORIENTAL**Schedule 8****Analysis of Current Tax Levy
Town -Wide Levy
June 30, 2025**

	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	\$ 255,541,818	0.2200	\$ 562,192	\$ 562,192	\$ -
Registered motor vehicles at current year's rate	<u>19,098,182</u>	0.2200	<u>42,016</u>	<u>-</u>	<u>42,016</u>
Total property valuation	<u>\$ 274,640,000</u>				
Net levy			604,208	562,192	42,016
Uncollected taxes at June 30, 2025			<u>(22,779)</u>	<u>(22,779)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 581,429</u>	<u>\$ 539,413</u>	<u>\$ 42,016</u>
Current levy collection percentage			<u>96.23%</u>	<u>95.95%</u>	<u>100.00%</u>