TOWN OF WEDDINGTON, NORTH CAROLINA

Audited Financial Statements

For the Fiscal Year Ended June 30, 2024

<u>Town Council Members</u>

Jim Bell, Mayor
Tom Smith, Mayor Pro Tem
Darcey Ladner
Jeff Perryman
Brannon Howie

<u>Administrative and Financial Staff</u>

Leslie Gaylord, CPA, Finance Officer
Kim Woods, Tax Collector

TOWN OF WEDDINGTON, NORTH CAROLINA

Table of Contents
June 30, 2024

	Exhibit	Page
FINANCIAL SECTION:		
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4-11
BASIC FINANCIAL STATEMENTS:		
Government-Wide Financial Statements:		
Statement of Net Position	1	12
Statement of Activities	2	13
FUND FINANCIAL STATEMENTS:		
Balance Sheet - Governmental Funds	3	14
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	3	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	4	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities of Governmental Funds	5	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	6	18
Notes to Financial Statements		19-40

TOWN OF WEDDINGTON, NORTH CAROLINA

Table of Contents
June 30, 2024

	Statement/Schedule	Page
REQUIRED SUPPLEMENTAL FINANCIAL DATA:		
Town of Weddington's Proportionate Share of Net Pension Liability (Asset) - Required Supplementary Information Last Ten Years		41
Town of Weddington's Contributions - Rquired Supplementary Information - Last Ten Years		42
SUPPLEMENTAL SCHEDULES:		
Individual Fund Schedules:		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	1	43-44
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - American Rescue Plan Fund	2	45
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual State Capital and Infrastructure Plan	3	46
OTHER SCHEDULES:		
Schedule of Ad Valorem Taxes Receivable	1	47
Analysis of Current Tax Levy	2	48
COMPLIANCE SECTION:		
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		49-50

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Town Council
Town of Weddington, North Carolina

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Weddington, North Carolina, as of and for the year ended June 30, 2024, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Weddington, North Carolina, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Weddington, North Carolina, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Weddington, North Carolina's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Weddington, North Carolina's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 11, the Local Government Employees' Retirement System's Schedules, the Proportionate Share of the Net Pension Liability and Contributions on pages 41 through 42 and budgetary comparison information on pages 43 through 46, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 of Weddington, North Carolina's basic financial statements. The combining and individual fund statements, budgetary schedules, and other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of 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, the combining and individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auding Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2025 on our consideration of Town of Weddington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Weddington's internal control over financial reporting and compliance.

Ann R Craven, CPA

Ann R. Craven, CPA, PLLC
Greensboro, North Carolina
January 27, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Weddington for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

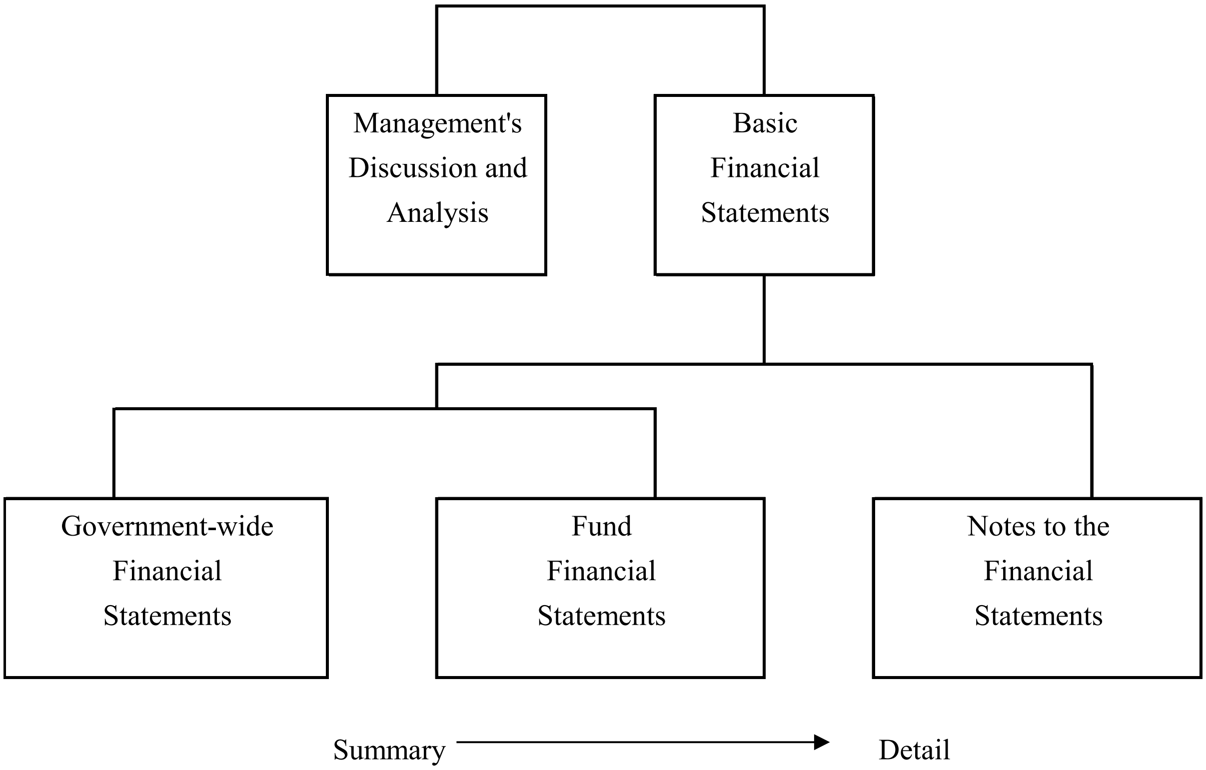
- The assets and deferred outflows of resources of the Town of Weddington exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $10,320,801 (*net position*).
- The government's total net position increased by $1,888,086 due to increases in the governmental activities net position.
- As of the close of the current fiscal year, the Town of Weddington's governmental funds reported combined ending fund balances of $8,371,209 with a net increase of $1,979,577 in fund balance. Approximately 15.00% of this total amount or $1,255,983 is non-spendable or restricted**.**
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,404,264, or 161.99% of total general fund expenditures for the fiscal year.
- Except for leases payable and subscriptions payable as required by GASB statements No. 87 and No. 96, The Town of Weddington does not have any outstanding debt.

Overview of the Financial Statements

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

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 6) 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 Town of Weddington has no proprietary funds, so this part of the Fund Financial Statements is omitted.

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.

Government-wide Financial Statements - Continued

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, planning and zoning and general administration. Property taxes, federal grant funds and various state-collected taxes finance most of these activities. The Town of Weddington has no business-type activities or component units, so these categories will be omitted from the Town's government-wide statements.

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 Weddington, 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 Town of Weddington are governmental funds so these will be the only funds presented in its financial statements.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash, 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 fewer financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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 19 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Weddington's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 41 of this report.

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

Government-Wide Financial Analysis

Town of Weddington's Net Position

Figure 2

	Governmental Activities		Total	
	2024	2023	2024	2023
Current and other assets	$ 8,765,275	$ 7,462,997	$ 8,765,275	$ 7,462,997
Capital assets	1,935,005	2,025,928	1,935,005	2,025,928
Deferred outflows of resources	124,948	61,054	124,948	61,054
Total assets and deferred outflow of resources	10,825,228	9,549,979	10,825,228	9,549,979
Long-term liabilities outstanding	159,070	92,812	159,070	92,812
Other liabilities	328,642	1,006,130	328,642	1,006,130
Deferred inflows of resources	16,715	18,322	16,715	18,322
Total liabilities and deferred inflows of resources	504,427	1,117,264	504,427	1,117,264
Net position:				
Net investment in capital assets	1,935,005	2,025,928	1,935,005	2,025,928
Restricted	1,221,208	1,225,699	1,221,208	1,225,699
Unrestricted	7,164,588	5,181,088	7,164,588	5,181,088
Total net position	$ 10,320,801	$ 8,432,715	$ 10,320,801	$ 8,432,715

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Weddington exceeded liabilities and deferred inflows of resources by $10,320,801 as of June 30, 2024. The Town's net position increased $1,888,086 for the fiscal year ended June 30, 2024. A portion (18,75%) reflects the Town's investment in capital assets (e.g. land, buildings, infrastructure, furniture, computers and equipment). The Town of Weddington 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 Weddington's net position, $1,221,208, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $7,164,588 is unrestricted.

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

- Continued diligence in the collection of property taxes as well as growth in the property tax base. The Town's ad valorem collection percentage was 98.47% and the property tax base increased approximately 4.5%.

- Implementation of solid waste collection activities contributed to an increase in other taxes collected.

Town of Weddington's Changes in Net Position

Figure 3

	Governmental Activities		Total	
	2024	2023	2024	2023
Revenues:				
Program revenues:				
Charges for services	$ 75,231	$ 70,730	$ 75,231	$ 70,730
Operating grants and contributions	1,336,192	643,458	1,336,192	643,458
General revenues:				
Property taxes	1,573,863	1,621,378	1,573,863	1,621,378
Other taxes	2,454,602	1,832,422	2,454,602	1,832,422
Other	341,283	129,626	341,283	129,626
Total revenues	5,781,171	4,297,614	5,781,171	4,297,614
Expenses:				
General government	1,464,229	642,338	1,464,229	642,338
Public safety	1,209,147	1,169,416	1,209,147	1,169,416
Economic and physical development	197,246	375,931	197,246	375,931
Environmental protection	1,022,463	513,083	1,022,463	513,083
Interest and other charges	-	1,770	-	1,770
Total expenses	3,893,085	2,702,538	3,893,085	2,702,538
Increase in net position	1,888,086	1,595,076	1,888,086	1,595,076
Net position, beginning	8,432,715	6,672,513	8,432,715	6,672,513
Restatement	-	165,126	-	165,126
Net position, beginning, restated	8,432,715	6,837,639	8,432,715	6,837,639
Net position, June 30	$ 10,320,801	$ 8,432,715	$ 10,320,801	$ 8,432,715

The Town's overall net position increased $1,888,086 from the prior year. The reasons for this overall increase are discussed in the following section for governmental activities.

Governmental Activities. Governmental activities increased the Town's net position by $1,888,086. The increase in net position was the result of increased revenue generation as well as continued effort to control cash and manage expenditures. Certain nonrecurring expenses related to road improvements were postponed. Continued growth within the Town also resulted in increased property tax base and local option sales tax revenue. Increased investment earnings were realized due to the rising interest rate environment and cash on hand from grant revenue. The Town was also able to utilize American Rescue Plan funds and the State Capital and Infrastructure Plan to finance some of its operations.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Weddington. At the end of the current fiscal year, Town of Weddington's fund balance available in the General Fund was $6,404,264 while total fund balance was $7,660,247. The Governing Body of the Town of Weddington has determined that the Town should maintain an available fund balance of 50% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 161.99% of general fund expenditures, while total fund balance represents 193.76% of the same amount.

At June 30, 2024, the governmental funds reported a combined fund balance of $8,371,209 with a net increase in fund balance of $1,979,577. As the General Fund accounts for the vast majority of the Town's governmental fund, almost all of this increase is attributable to it. The increase in fund balance is primarily attributable to the high tax collection percentage and growth in the property tax base as well as to increased permits and fees, including the implementation of solid waste collection service and local option sales tax revenues resulting from continued economic growth in the area.

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

Amendments were made, primarily, to adjust estimated expenditures between departments and/or line items as well as to account for revenues received from the American Rescue Plan Act. In addition, the budget was amended to account for the settlement of a lawsuit that had been ongoing for several years.

Capital Assets

Capital Assets. The Town of Weddington's investment in capital assets for its governmental activities as of June 30, 2024, totals $1,935,005 (net of accumulated depreciation and amortization). These assets include buildings, land infrastructure, furniture and equipment, computers and software and right to use assets for leases and IT subscriptions.

Town of Weddington's Capital Assets
(Net of Amortization and Depreciation)

Figure 4

	Governmental Activities		Total	
	2024	2023	2024	2023
Land	$ 1,232,849	$ 1,232,849	$ 1,232,849	$ 1,232,849
Buildings	624,800	702,532	624,800	702,532
Furniture & equipment	-	-	-	-
Infrastructure	15,775	17,565	15,775	17,565
Computer software	24,990	75,557	24,990	75,557
Computer equipment	-	3,094	-	3,094
Right to use assets:				
Leases	12,527	-	12,527	-
IT subscriptions	24,064	-	24,064	-
Total	$ 1,935,005	$ 2,031,597	$ 1,935,005	$ 2,031,597

Additional information on the Town's capital assets can be found in Note III.A.3 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The Town of Weddington is located in Union County, one of the state's fastest growing counties.
- The Town's housing data has continued to show signs of economic improvement. The County began conducting another revaluation of real property in the fall of 2024 in order to reflect new values that are expected to result in a significant increase in the Town's property tax base for FY2026.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities: The Town's tax revenue is budgeted to decline slightly for the next fiscal year due to a reduction in the property tax rate from 4.5 cents to 2.5 cents per $100 assessed value. This is attributable to the transition of fire services back to county control. This transition is being done with the overarching goal to provide residents with efficient and effective fire protection. The budget includes increased police staffing to enhance public safety by ensuring greater coverage times. In addition, the budget also includes several on-time costs. These include a grant to the Union County Library Foundation as well as funding for a new traffic light within Town limits.

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's finance officer, Leslie Gaylord, at Town of Weddington, 1924 Weddington Road, Weddington, NC 28104. One can also call (704) 846-2709, visit our website at www.townofweddington.com or send an e-mail to lgaylord@townofweddington.com for more information.

BASIC FINANCIAL STATEMENTS

TOWN OF WEDDINGTON, NORTH CAROLINA **Exhibit 1**

Statement of Net Position
June 30, 2024

	Primary Government	
	Governmental Activities	**Total**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,418,417	$ 7,418,417
Taxes receivable (net)	103,464	103,464
Due from other governments	239,874	239,874
Prepaid items	34,775	34,775
Restricted cash and cash equivalents	968,745	968,745
Total current assets	8,765,275	8,765,275
Non-current assets:		
Leases receivable, non-current		
Capital assets (Note 1):		
Land and non-depreciable improvements,	1,232,849	1,232,849
Other capital assets, net of depreciation	665,565	665,565
Right to use assets, net of amortization	36,591	36,591
Total capital assets	1,935,005	1,935,005
Total non-current assets		
Total assets	10,700,280	10,700,280
DEFERRED OUTFLOWS OF RESOURCES		
Deferrals related to pensions	97,484	97,484
Contributions to pension plan in current fiscal year	27,464	27,464
Total deferred outflows of resources	124,948	124,948
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	46,129	46,129
Accrued interest payable - right to use assets	828	828
Current portion of long-term liabilities	37,211	37,211
Construction deposits	47,896	47,896
Unearned revenues	196,578	196,578
Total current liabilities	328,642	328,642
Long-term liabilities:		
Net pension liability	145,244	145,244
Lease liabilities	8,860	8,860
IT Subscriptions liabilities	4,966	4,966
Total liabilities	487,712	487,712
DEFERRED INFLOWS OF RESOURCES		
Deferrals related to pensions	16,715	16,715
Total deferred inflows of resources	16,715	16,715
NET POSITION		
Net investment in capital assets	1,935,005	1,935,005
Restricted for:		
Stabilization by state statute	401,208	401,208
Economic projects	820,000	820,000
Unrestricted	7,164,588	7,164,588
Total net position	$ 10,320,801	$ 10,320,801

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

TOWN OF WEDDINGTON, NORTH CAROLINA

Exhibit 2

Statement of Activities

For the Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenues and Changes in Net Position Primary Government		
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Functions/Programs							
Primary government:							
Governmental Activities:							
General government	$ 1,464,229	$ -	$ 1,336,192	$ -	$ (128,037)	$ -	$ (128,037)
Public safety	1,209,147	-	-	-	(1,209,147)		(1,209,147)
Environmental protection	1,022,463	-	-	-	(1,022,463)		(1,022,463)
Economic and physical development	197,246	75,231	-	-	(122,015)		(122,015)
Total primary government	$ 3,893,085	$ 75,231	$ 1,336,192	$ -	$ (2,481,662)	$ -	$ (2,481,662)
General revenues:							
Taxes							
Property taxes levied for general purposes					1,573,863		1,573,863
Other taxes and licenses					2,454,602		2,454,602
Unrestricted investment earnings					311,251		311,251
Miscellaneous					30,032		30,032
Total general revenues					4,369,748		4,369,748
Change in net position					1,888,086		1,888,086
Net position, beginning, previously reported					8,432,715		8,432,715
Net position, ending					$ 10,320,801	$ -	$ 10,320,801

Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds			
	Major Fund General	**American Rescue Plan Fund**	**State Capital and Infrastructure Fund**	**Total Governmental Funds**
ASSETS				
Cash and cash equivalents	$ 7,418,417	$ -	$ -	$ 7,418,417
Restricted cash	47,896	195,969	724,880	968,745
Taxes receivable	103,464	-	-	103,464
Due from other governments	239,874	-	-	239,874
Prepaid expenses	34,775	-	-	34,775
Total assets	7,844,426	195,969	724,880	8,765,275
LIABILITIES				
Accounts payable and accrued liabilities	46,128	-	-	46,128
Construction deposits	47,896	-	-	47,896
Unearned revenues	-	195,969	-	195,969
Due to Other Funds	(13,918)	-	13,918	-
Total liabilities	80,106	195,969	13,918	289,993
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	104,073	-	-	104,073
Total deferred inflows of resources	104,073	-	-	104,073
FUND BALANCES				
Restricted				
Stabilization by state statue	401,208	-	-	401,208
Non-spendable				
Prepaid items	34,775	-	-	34,775
Assigned				-
Capital projects	820,000	-	-	820,000
Unassigned	6,404,264	-	710,962	7,115,226
Total fund balances	7,660,247	-	710,962	8,371,209
Total liabilities, deferred inflows of resources and fund balances	$ 7,844,426	$ 195,969	$ 724,880	$ 8,765,275

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

TOWN OF WEDDINGTON, NORTH CAROLINA

Reconciliation of Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the Statements of Net Position (Exhibit 1) are different because:			
Total fund balances - governmental funds			$ 8,371,209
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds statement.			
Gross capital assets at historical cost	$ 2,760,482	$ -	
Accumulated depreciation	(862,068)	-	1,898,414
Right to use leased assets used in governmental activities are not financial resources and therefore not reported in the funds statements			
Right to use assets at historical cost	94,282	-	
Accumulated amortization	(57,691)	-	36,591
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.			27,464
Some liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			(197,110)
Liabilities for earned revenues considered deferred inflows of resources in fund statements.			103,464
Pension related deferrals			80,769
Net position of governmental activities			$ 10,320,801

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

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds For the Year Ended June 30, 2024

	Major Funds			
	General Fund	American Rescue Plan Fund	State Capital and Infrastructure Fund	Total Governmental Funds
REVENUES				
Ad valorem taxes	$ 1,573,648	$ -	$ -	$ 1,573,648
Unrestricted intergovernmental	1,269,712	-	-	1,269,712
Restricted intergovernmental	-	639,274	850,000	1,489,274
Permits and fees	1,261,680	-	-	1,261,680
Investment earnings	243,478	39,811	27,962	311,251
Miscellaneous	27,423	-	-	27,423
Total revenues	4,375,941	679,085	877,962	5,932,988
EXPENDITURES				
Current:				
General government	1,361,780	25	-	1,361,805
Public safety	1,194,530	-	-	1,194,530
Environmental protection	1,022,463	-	-	1,022,463
Economic and physical development	338,309	-	-	338,309
Debt service:				-
Principal	34,780	-	-	34,780
Interest and other charges	1,524	-	-	1,524
Total expenditures	3,953,386	25	-	3,953,411
Excess (deficiency) of revenues over expenditures	422,555	679,060	877,962	1,979,577
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(708,521)	(167,000)	(875,521)
Transfers from other funds	875,521	-	-	875,521
Total other financing sources and uses	875,521	(708,521)	(167,000)	-
Net change in fund balance	1,298,076	(29,461)	710,962	1,979,577
Fund balance, beginning	6,362,171	29,461	-	6,391,632
Fund balance, ending	$ 7,660,247	$ -	$ 710,962	$ 8,371,209

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

TOWN OF WEDDINGTON, NORTH CAROLINA

Exhibit 5

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities of Governmental Funds For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds		$ 1,979,577
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Depreciation expense for governmental assets	$ (63,553)	(63,553)
Right to use leased asset capital outlay expenditures which were capitalized	-	
Amortization expense for intangible assets	(33,718)	(33,718)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		27,464
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		2,134
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
New long-term debt issued	6,446	
Interest expense on long-term debt	(332)	6,114
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(8,859)
Pension expense		(21,073)
Total changes in net position of governmental activities		$ 1,888,086

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

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

	General Fund			
	Original Budget	**Final Budget**	**Actual Amounts**	**Variance with Final Budget- Positive (Negative)**
Revenues:				
Ad valorem taxes	$ 1,531,075	$ 1,531,075	$ 1,573,648	$ 42,573
Unrestricted intergovernmental	1,140,000	1,140,000	1,269,712	129,712
Permits and fees	1,150,000	1,150,000	1,261,680	111,680
Investment earnings	85,000	200,000	243,478	43,478
Miscellaneous	5,000	5,000	27,423	22,423
Total revenues	3,911,075	4,026,075	4,375,941	349,866
Expenditures:				
Current:				
General government	1,723,400	1,591,725	1,361,780	229,945
Public safety	1,166,450	1,204,725	1,194,530	10,195
Environmental protection	525,000	1,060,000	1,022,463	37,537
Economic and physical development	862,475	535,875	338,309	197,566
Debt service:				
Principal	-	-	34,780	(34,780)
Interest and other charges	-	-	1,524	(1,524)
Total expenditures	4,277,325	4,392,325	3,953,386	438,939
Revenues over (under) expenditures	(366,250)	(366,250)	422,555	788,805
Other financing sources (uses):				
Transfers from other funds	366,250	366,250	875,521	509,271
Total other financing sources (uses)	366,250	366,250	875,521	509,271
Net change in fund balance	$ -	$ -	1,298,076	$ 1,298,076
Fund balance, beginning			6,362,171	
Fund balance, ending			$ 7,660,247	

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Weddington conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Weddington, North Carolina, in Union County, is a municipal corporation that is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the Town, which has no component units.

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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 specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a 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* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds, if any, are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and various other taxes and licenses. The primary expenditures are for the general government, environmental protection (solid waste) and public safety.

American Rescue Plan Fund. This fund accounts for the transactions related to the American Rescue Plan Funds.

State Capital and Infrastructure Plan. This fund accounts for the transactions related to the SCIF grant.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. Issuance of general long-term debt and acquisitions under capital leases and IT subscriptions are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Weddington because the tax is levied by Union 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 recorded as general revenues rather than program 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. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the American Rescue Plan Special Revenue Fund. 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 object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, amendments to the original budget were necessary and approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

3. Restricted Assets

Construction deposits received by the Town are restricted to the projects for which the funds were received. These construction deposits are funds given to the Town by a developer in lieu of letters of credit and are performance and/or maintenance bonds held by the Town to ensure funds for remedy should the developer fail to complete the related subdivision to required standards. The amounts are determined by our contracted engineer at LaBella and/or by Union County Public Works and are released back to the developer upon satisfactory completion and sign off by LaBella or Union County Public Works. In the event the development is not completed, the Town will use these funds to pay a third party to perform the necessary work. Money in the American Rescue Plan Fund is classified as restricted assets, because they can be expended only for the purposes outlined in the American Rescue Plan Act of 2021. SCIF funds are also restricted to purposes outlined in the scope of work.

Town of Weddington Restricted Cash
Governmental Activities
General Fund

Construction Deposits	$ 47,896
ARPA Funds	195,969
SCIF Funds	724,880
Total Restricted Cash	$ 968,745

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2024.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. No allowance for doubtful accounts was required as of June 30, 2024.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

7. Capital Assets (Continued)

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

Asset Class	Estimated Useful Lives
Infrastructure	20
Buildings	40
Furniture and equipment	10
Computer equipment	5
Computer software	5

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 two items that meet this criterion, pension deferrals and contributions made to the pension plan in the 2024 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town of Weddington has three items that meet the criterion for this category – property taxes receivable, unearned revenues (reported only on the Balance Sheet of the Governmental Funds) and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. Long-Term Obligations

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to twenty days earned vacation leave without such leave being fully vested when earned. For the Town's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

10. Compensated Absences (continued)

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. The Town has analyzed the accumulated sick leave and has determined the amount likely to be paid out and has accrued the sick leave appropriately as a current or long-term liability. This determination was done using historical usage patterns.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-spendable 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.

Prepaid Expenditures – portion of fund balance that is not an available resource because it represents prepaid expenditures that are not in spendable form.

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 governments from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.*

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

11. Net Position/Fund Balances (Continued)

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

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.

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

Assigned fund balance – portion of fund balance that Town of Weddington intends to use for specific purposes.

Assigned for Capital Projects – portion of the fund balance that the council has appropriated for future expenditures related to the Town Hall, infrastructure, parks and fire service.

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; however, the budget ordinance authorizes the finance officer to make expenditures from appropriations as necessary.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds and has not been reported as non-spendable fund balance.

The Finance Officer uses resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

11. Net Position/Fund Balances (Continued)

The Town has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 50% of budgeted expenditures. In addition, fund balance appropriations in any given year (other than appropriations for a capital project encompassed as part of fund balance assigned for capital projects) shall be limited so as not to exceed 15% of General Fund budget, if available fund balance is greater than or equal to 75%, or not to exceed 10% of General Fund budget if available fund balance is less than 75%, but greater than or equal to 50%.

12. Defined Benefit Cost-Sharing Plan

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 Weddington's employer contributions are recognized when due and the Town of Weddington 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. Significant violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None

2. Contractual Violations

None

B. Deficit in Fund Balance of Individual Funds not Appropriated in Subsequent Year's Budget Ordinance

None

C. Excess of Expenditures over Appropriations

None

III. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All the deposits of the Town of Weddington 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 the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, 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. 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, 2024, the Town's deposits had a carrying amount of $3,484,166 and a bank balance of $3,539,195. Of the bank balances, $500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2024, the Town of Weddington had $4,902,996 invested with the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's as of June 30, 2024. The Town does not have a formal investment or policy regarding credit risk.

3. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2024, was as follows:

III. DETAIL NOTES ON ALL FUNDS

A. Assets

3. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,232,849	$ -	$ -	$ 1,232,849
	1,232,849	-	-	1,232,849
Capital assets being depreciated:				
Buildings	1,280,849	-	-	1,280,849
Infrastructure	26,851	-	-	26,851
Equipment	17,749	-	-	17,749
Computers	9,538	-	-	9,538
Computer software	182,994	-	-	182,994
Furniture	9,652	-	-	9,652
Total capital assets being depreciated	1,527,633	-	-	1,527,633
Less accumulated depreciation for:				
Buildings	617,778	38,271	-	656,049
Infrastructure	10,181	895	-	11,076
Equipment	17,749	-	-	17,749
Computers	8,352	1,187	-	9,539
Computer software	134,803	23,200	-	158,003
Furniture	9,652	-	-	9,652
Total accumulated depreciation	798,515	63,553	-	862,068
Total capital assets being depreciated, net	729,118	(63,553)	-	665,565
Capital assets being amortized:				
Right to use assets:				
Leased equipment	19,780	-	-	19,780
IT subscriptions	74,066	6,348	5,912	74,502
Total capital assets being amortized	93,846	6,348	5,912	94,282
Less accumulated amortization for:				
Right to use assets:				
Leased equipment	3,297	3,956	-	7,253
IT subscriptions	26,588	29,762	5,912	50,438
Total accumulated amortization	29,885	33,718	5,912	57,691
Total capital assets being amortized, net	63,961	(27,370)	-	36,591
Governmental activities capital assets, net	$ 2,025,928	(90,923)		$ 1,935,005

III. DETAIL NOTES ON ALL FUNDS

A. Assets

3. Capital Assets (continued)

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

General government	$	46,348
Public safety		17,205
Total depreciation expense	$	63,553

B. Liabilities

1. Subscriptions Payable

For the year ended 6/30/2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of 06/30/2024, Town of Weddington, NC had 3 active subscriptions. The subscriptions have payments that range from $2,988 to $20,388 and interest rates that range from 2.1937% to 2.8450%. As of 06/30/2024, the total combined value of the subscription liability is $23,266, and the total combined value of the short-term subscription liability is $18,301. The combined value of the right to use asset, as of 06/30/2024 of $74,502 with accumulated amortization of $50,438 is included within the Subscription Class activities table found below. The subscriptions had $0 of Variable Payments and $0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

III. DETAIL NOTES ON ALL FUNDS

B. Liabilities

1. Subscriptions Payable (continued)

Amount of Subscription Assets by Major Classes of Underlying Asset

	Subscription Asset Value	Accumulated Amortization	Total Payments
Software	$ 74,502	$ 50,438	$ 23,808

Principal and interest Requirements to Maturity

	Governmental Activities		
Fiscal Year Ended	Principal Payments	Interest Payments	Total Payments
2025	18,301	398	18,699
2026	4,965	144	5,109
	$ 23,266	$ 542	$ 23,808

2. Leases Payable

For the year ended June 30, 2024, the financial statements include the adoption o GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency o information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of 06/30/2024, Town of Weddington, NC had 1 active lease. The lease has payments of $4,207 and an interest rate of 2.5360%. As of 06/30/2024, the total combined value of the lease liability is $12,790, the total combined value of the short-term lease liability is $3,929. The combined value of the right to use asset, as of 06/30/2024 of $19,780 with accumulated amortization of $7,253 is included within the Lease Class activities table found below. The leases had $0 of Variable Payments and $0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

III. DETAIL NOTES ON ALL FUNDS

B. Liabilities

2. Leases Payable (continued)

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	$ 19,780	$ 7,253
Total Leases	$ 19,780	$ 7,253

Principal and interest Requirements to Maturity

Fiscal Year Ended	Principal Payments	Interest Payments	Total Payments
2025	3,929	279	4,208
2026	4,029	178	4,207
2027	4,133	75	4,208
2028	699	2	701
Total Principal Payments	12,790	$ 534	$ 13,324
Cumulative Variance as of Fiscal Year End	-		
Total Remaining Liability	$ 12,790		

3. Pension Plan and Post-employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description.
The Town of Weddington is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Government Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

III. DETAIL NOTES ON ALL FUNDS

B. Liabilities

3. Pension Plan and Post-employment Obligations

a. Local Governmental Employees' Retirement System (continued)

The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 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 member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Weddington employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees.

The Town of Weddington's contractually required contribution rate for the year ended June 30, 2024, was 16.0% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Weddington were $27,464 for the year ended June 30, 2024.

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

IV. DETAIL NOTES ON ALL FUNDS

B. Liabilities

3. Pension Plan and Post-employment Obligations

a. Local Governmental Employees' Retirement System (continued)

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

At June 30, 2024, the Town reported a liability of $145,244 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30,2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the Town's proportion was 0.00219%, which was a decrease of .00115% from its proportion measured at June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of $48,539. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 16,185	$ 348
Changes of assumptions	6,172	-
Net difference between projected and actual earnings on pension plan investments	38,874	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions		
Town of Weddington contributions subsequent to the measurement date	36,253	16,367
	27,464	-
Total	$ 124,948	$ 16,715

III. DETAIL NOTES ON ALL FUNDS

B. Liabilities

3. Pension Plan and Post-employment Obligations

a. Local Governmental Employees' Retirement System (continued)

$27,464 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2025		28,043
2026		15,154
2027		35,928
2028		1,644
Thereafter		-
	$	80,769

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

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.0 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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies.

III. DETAIL NOTES ON ALL FUNDS

B. Liabilities

3. Pension Plan and Post-employment Obligations

a. Local Governmental Employees' Retirement System (continued)

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Protection	6.0%	4.3%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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.

III. DETAIL NOTES ON ALL FUNDS

B. Liabilities

3. Pension Plan and Post-employment Obligations

a. Local Governmental Employees' Retirement System (continued)

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

Sensitivity of the Town of Weddington's share of the net pension liability to changes in the discount rate. The following presents the Town of Weddington's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Town of Weddington'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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	**Discount Rate (7.00%)**	**1% Increase (8.00%)**
Town's proportionate share of the net pension liability (asset)	$ 251,630	$ 145,244	$ 57,658

Pension Plan fiduciary net position. Detail information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

b. Supplemental Retirement Income Plan

Plan Description. The Town employees contribute 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 is established in conformity with section 401(k) of the Internal Revenue Code of 1986 as amended. The Supplemental Retirement Income Plan is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. 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. The Town has elected to contribute to the Supplemental Retirement Insurance Plan. Contributions for the year ended June 30, 2024 were $6088. No amounts were forfeited.

4. Other Employment Benefits

The Town of Weddington has 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.

III. DETAIL NOTES ON ALL FUNDS

B. Liabilities

4. Other Employment Benefits

The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed $50,000 or be less than $25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. The Town considers these contributions to be immaterial.

5. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position is composed of the following:

Source	Amount
Deferred outflows related to pensions	$ 97,484
Contributions to pension plan in current fiscal year	27,464
	$ 124,948

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

Source	Amount
Deferred inflows related to pensions	$ 16,715

6.. 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. The Town carries commercial insurance based on management's evaluation of risk loss. The Town obtains general liability coverage of $1,000,000 per occurrence, property coverage of $2,857,338 and worker's compensation coverage of $100,000. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. The Town carries flood insurance for buildings and contents that are located in Flood Zone X. This zone is defined as areas outside the 1% annual chance floodplain. The deductible with respect to this coverage is $2,500. In accordance with G.S. 159-29, the Town's employees are performance bonded through a commercial surety bond. The finance officer and tax collector are each individually bonded for $1,000,000. The remaining employees that have access to funds are bonded under a blanket bond for $50,000.

7. Long Term Obligations

A. Changes in Long-Term Liabilities

	Balance July 01, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
Governmental Activities:					
Compensated absences	$ 6,122	$ 8,859	$ -	$ 14,981	$ 14,981
Net pension liability (LGERS)	58,671	86,573	-	145,244	-
Lease liabilities	16,620	98	3,929	12,789	3,929
IT Subscription liabilities	47,868	6,348	30,949	23,267	$ 18,301
	$ 129,281	$ 101,878	$ 34,878	$ 196,281	$ 37,211

Compensated absences typically have been liquidated in the General Fund.

8. 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	*$ 7,660,247*
Less:	
Prepaid Items	34,775
Stabilization by state statute	401,208
Capital Projects	820,000
Working Capital/Fund Balance Policy	2,196,163
Remaining Fund Balance	4,208,101

The Town has adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 50% of budgeted expenditures. In addition, fund balance appropriations in any given year (other than appropriations for a capital project encompassed in part of fund balance assigned for capital projects) shall be limited so as not to exceed 15% of general fund budget if available fund balance is greater than or equal to 75% or not to exceed 10% of general fund budget if available fund balance is less than 75% but greater than or equal to 50%.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Town of Weddington had outstanding encumbrances totaling $100,129 at June 30, 2024.

III. DETAIL NOTES ON ALL FUNDS

9. COMMITMENTS AND CONTINGENCIES

The Town has contracts with a local volunteer fire department for fire protection service. The contract is for one year, with optional one-year renewals.

In June 2015, the Town was named as a defendant to a lawsuit filed by a former volunteer fire department. The suit alleged wrongful termination of contract and sought damages in the amount of at least $750,000. In addition, the plaintiff sought damages through the alleged fraud and constitutional violations. The Town vigorously denied those allegations and filed responsive pleadings. Settlement discussions were explored with the plaintiff on behalf of the town and a former mayor. Negotiations reached a successful, enforceable settlement that was signed by the town and the plaintiff on November 15, 2023 and subsequently paid. In exchange for the sum of $750,000 paid by the town to the plaintiff, the plaintiff released the town, its representatives and the former mayor from all claims arising out of this dispute. The $750,000 was paid from town funds with no contribution from the town's liability insurance carrier. No further commitment or contingency remains relative to this lawsuit.

10. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through January 27, 2025 the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Town of Weddington's Proportionate Share of Net Pension Liability (Asset)
- Town of Weddington's Contributions

TOWN OF WEDDINGTON, NORTH CAROLINA

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

Local Governmental Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town of Weddington's proportion of the net pension liability (asset) (%)	0.00219%	0.1040%	0.2480%	0.2380%	0.00245%	0.00228%	0.00304%	0.00305%	0.00398%	0.0044%
Town of Weddington's proportion of the net pension liability (asset) ($)	$ 145,244	$ 58,671	$ 38,033	$ 85,048	$ 66,908	$ 54,089	$ 46,443	$ 64,730	$ 17,860	$ (26,480)
Town of Weddington's covered-employee payroll	$ 187,407	$ 127,250	$ 177,682	$ 163,394	$ 156,393	$ 130,578	$ 157,125	$ 187,976	$ 180,953	$ 194,830
Town of Weddington's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	77.50%	46.11%	21.41%	52.05%	42.78%	41.42%	29.56%	34.44%	9.87%	(13.59%)
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	84.14%	95.51%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

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

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

TOWN OF WEDDINGTON, NORTH CAROLINA

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

Local Governmental Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 27,464	$ 28,486	$ 18,206	$ 23,543	$ 19,673	$ 17,015	$ 13,867	$ 15,194	$ 18,164	$ 18,367
Contributions in relation to the contractually required contribution	$ 27,464	$ 28,486	$ 18,206	$ 23,543	$ 19,673	$ 17,015	$ 13,867	$ 15,194	$ 18,164	$ 18,367
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town of Weddington's covered-employee payroll	$ 177,530	$ 187,407	$ 127,250	$ 177,682	$ 163,394	$ 156,393	$ 130,578	$ 157,125	$ 187,976	$ 180,953
Contributions as a percentage of covered-employee payroll	15.47%	15.20%	14.31%	13.25%	12.04%	10.88%	10.62%	9.67%	9.66%	10.15%

SUPPLEMENTAL SCHEDULES

TOWN OF WEDDINGTON, NORTH CAROLINA

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	$ -	$ 1,565,421	$ -
Interest		8,227	
Total	1,531,075	1,573,648	42,573
Unrestricted intergovernmental:			
Local option sales taxes		701,355	
Utility sales tax		498,025	
Solid waste disposal tax		2,609	
Beer and wine tax		67,723	
Total	1,140,000	1,269,712	129,712
Permits and fees:			
Subdivision fees		28,121	
Zoning fees		35,110	
Solid waste fee revenues		1,186,449	
Stormwater erosion control fees		12,000	
Total	1,150,000	1,261,680	111,680
Investment earnings	200,000	243,478	43,478
Miscellaneous:			
Other	5,000	27,423	22,423
Total	5,000	27,423	22,423
Total revenues	4,026,075	4,375,941	349,866
Expenditures:			
General government:			
Governing board:			
Legal		811,560	
Other operating expenditures		28,366	
Total		839,926	
Administration:			
Salaries and employee benefits		221,540	
Professional services		64,077	
Other operating expenditures		233,865	
Leases		2,372	
Total		521,854	
Total general government	1,591,725	1,361,780	229,945

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Public safety:			
Police:			
Contracted services		352,554	
Total		352,554	
Fire:			
Contracted services		841,976	
Total		841,976	
Total public safety:	1,204,725	1,194,530	10,195
Environmental protection:			
Administration:			
Contracted services		1,022,463	
Total	1,060,000	1,022,463	37,537
Economic and physical development:			
Planning:			
Salaries and employee benefits		97,140	
Contracted services		117,046	
Other operating expenditures		124,123	
Total		338,309	
Total economic and physical development	535,875	338,309	197,566
Debt Service:			
Principal retirement		34,780	
Interest and other charges		1,524	
Total debt service		36,304	
Total expenditures	4,392,325	3,953,386	437,706
Revenues over (under) expenditures	(366,250)	422,555	788,805
Other financing sources (uses):			
Transfers from ARPA and SCIF	366,250	875,521	509,271
Total other financing sources (uses)	366,250	875,521	509,271
Net change in fund balance	$ -	1,298,076	$ 1,298,076
Fund balance, beginning		6,362,171	
Fund balance, end of year		$ 7,660,247	

TOWN OF WEDDINGTON, NORTH CAROLINA

Schedule 2

American Rescue Plan Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
ARPA Funds	$ 1,635,188	$ 799,944	$ 639,274	$ 1,439,218	$ (195,970)
Investment earnings	-	29,521	39,810	69,331	69,331
Total revenues	1,635,188	829,465	679,084	1,508,549	(126,639)
Expenditures:					
General Government					
Unassigned ARPA expenditures	1,635,104	799,944	639,274	$ 1,439,218 `	195,886
Bank charges	84	60	24	84	-
Total	1,635,188	800,004	639,298	1,439,302	195,886
Other financing sources (uses)					
Transfer to - General Fund	-	-	(69,247)	(69,247)	(69,247)
Total other financing sources (uses)	-	-	(69,247)	(69,247)	(69,247)
Revenues and other sources over (under) expenditures	$ -	$ 29,461	(29,461)	$ -	$ -
Fund balance, beginning			29,461		
Fund balance, ending			$ -		

TOWN OF WEDDINGTON, NORTH CAROLINA

Schedule 3

State Capital and Infrastructure Plan
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
State Capital & Infrastructure Fund	$ 850,000	$ -	$ 850,000	$ 850,000	$ -
Investment earnings	-	-	27,962	27,962	27,962
Total revenues	850,000	-	877,962	877,962	27,962
Expenditures:					
General Government					
Infrastructure Expenditures	696,918	-	13,918	$ 13,918	683,000
Total	696,918	-	13,918	13,918	683,000
Other financing sources (uses)					
Transfer to - General Fund	(153,082)	-	(153,082)	(153,082)	-
Total other financing sources (uses)	(153,082)	-	(153,082)	(153,082)	-
Revenues and other sources over (under) expenditures	$ -	$ -	710,962	$ 710,962	$ 710,962
Fund balance, beginning			-		
Fund balance, ending			$ 710,962		

OTHER SCHEDULES

This section contains additional information required on property taxes.

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

Schedule of Ad Valorem Taxes Receivable
June 30, 2024

	Uncollected Balance June 30, 2023	Additions	Collections and Credits	Uncollected Balance January 00, 1900
2023 - 2024	$ -	$ 1,573,928	$ 1,549,839	$ 24,089
2022 - 2023	23,888		17,973	$ 5,915
2021 - 2022	4,456		3,253	$ 1,203
2020 - 2021	1,053		579	$ 474
2019 - 2020	1,128		629	$ 499
2018 - 2019	472	-	254	218
2017 - 2018	514	-	215	299
2016 - 2017	271	-	-	271
2015 - 2016	362	-	256	106
2014 - 2015	130	-	31	99
2013 - 2014	132	-	132	-
	$ 32,406	$ 1,573,928	$ 1,573,161	$ 33,173

Reconcilement with revenues:

Ad Valorem Taxes - General Fund	$ 1,573,648
Reconciling items:	
Interest collected	(8,227)
10-year write off	105
Late list penalty collected	(116)
Deminimis adjustments and write-offs	2,250
Tax Refunds - Net	5,501
Total collections and credits	$ 1,573,161

Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2024

	Town-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	$ 3,497,831,111	0.0450	$ 1,574,024	$ 1,435,578	$ 138,446
Discoveries					
Current year taxes	-	0.0450	-	-	-
Prior year taxes					
Abatements and releases	(214,088)	0.0450	(96)	(96)	-
Total Property Valuation	$ 3,497,617,023				
Net levy			1,573,928	1,435,482	138,446
Less, uncollected tax at June 30, 2024			(24,089)	(24,089)	-
Current year's taxes collected			$ 1,549,839	$ 1,411,393	$ 138,446
Current levy collection percentage			98.47%	98.32%	100.00%

COMPLIANCE SECTION

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITNG STANDARDS

To the Honorable Mayor and
Members of the Board of Commissioners
Town of Weddington, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Weddington, North Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Weddington’s basic financial statements, and have issued our report thereon dated January 27, 2025

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Weddington’s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Weddington’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Ann R Craven, CPA

Ann R. Craven, CPA, PLLC
Greensboro, North Carolina
January 27, 2025