

**TOWN OF WHITE LAKE  
WHITE LAKE, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2024**

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June 30, 2024

MAYOR

H. Goldston Womble, Jr.

TOWN COUNCIL

Timothy G. Blount, Mayor, Pro-Tem  
John H. Womble, Jr  
Michael J. Suggs  
Dean C. Hilton  
Paul A. Evans  
Terri Hawley

TOWN ADMINISTRATOR

Sean D. Martin

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## FINANCIAL SECTION



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Gregory S. Adams, CPA  
Alan W. Thompson, CPA

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### **Independent Auditor's Report**

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

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

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

##### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 White Lake and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### ***Responsibilities of Management for the Audit of the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of White Lake'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 White Lake's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 4 through 11 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 41 and 42, respectively and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions on pages 43 through 44, respectively be presented to supplement the basic financial statements. Such information, although not a required 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 White Lake’s basic financial statements. The combining and individual fund financial 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above the combining and individual fund financial statements, budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of the Town of White Lake’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of White Lake’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of White Lake’s internal control over financial reporting and compliance.

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

Elizabethtown, North Carolina  
October 31, 2024

## Town of White Lake

### Management's Discussion and Analysis

As the management of the Town of White Lake, we offer readers of the Town of White Lake's financial statements this narrative overview and analysis of the financial activities of the Town of White Lake 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 of White Lake's financial statements, which follow this narrative.

#### Financial Highlights

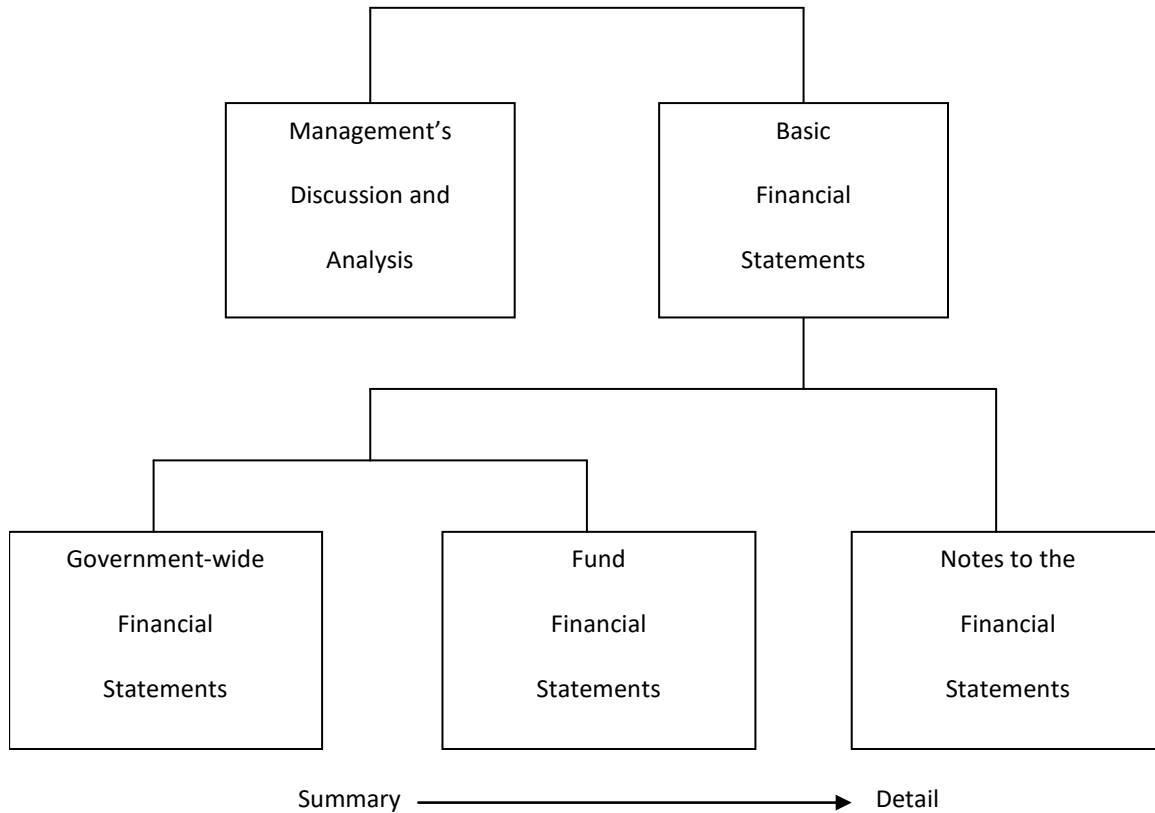
- The assets and deferred outflows of resources of the Town of White Lake exceeded its liabilities and deferred inflows or resources at the close of the fiscal year by \$12,581,429, *net position*.
- The government's total net position increased by \$734,121 due to an increase in the government-type activities along with an increase in the business – type activities' net position.
- As of the close of the current fiscal year, the Town of White Lake's governmental funds reported combined ending fund balances of \$2,451,049 an increase of \$213,612. Approximately 52 percent of this total amount, or \$1,269,909 is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,269,909 or 54% of total general fund expenditures for the fiscal year.
- The Town of White Lake's total debt decreased \$115,183 during the current fiscal year due to normal debt payments made during the year.
- The Town of White Lake's bond rating is 79.

#### Overview of the Financial Statements

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

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

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

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

### Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes, State and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and wastewater services offered by the Town of White Lake. The Town has no component units.

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

### **Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the Town of White Lake'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 White Lake, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of White Lake can be divided into two categories: governmental funds and proprietary funds.

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

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

**Proprietary Fund:** The Town uses the *Enterprise Funds* to report the same functions presented as business-type activities in the government-wide financial statements. The Town of White Lake uses enterprise funds to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 22-40 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 White Lake'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, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

## Government-Wide Financial Analysis

**Town of White Lake's Net Position**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and other assets:	\$ 2,550,042	\$ 2,679,119	\$ 5,023,861	\$ 4,573,082	\$ 7,573,903	\$ 7,252,201
Capital Assets	<u>2,253,362</u>	<u>2,299,064</u>	<u>8,430,672</u>	<u>8,539,002</u>	<u>10,684,034</u>	<u>10,838,066</u>
Total assets	<u>4,803,404</u>	<u>4,978,183</u>	<u>13,454,533</u>	<u>13,112,084</u>	<u>18,257,937</u>	<u>18,090,267</u>
<b>Deferred outflows of resources</b>	<u>473,843</u>	<u>417,352</u>	<u>146,804</u>	<u>134,371</u>	<u>620,647</u>	<u>551,723</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	948,552	826,019	4,507,014	4,547,398	5,455,566	5,373,417
Other liabilities	<u>100,867</u>	<u>451,198</u>	<u>662,764</u>	<u>872,589</u>	<u>763,631</u>	<u>1,323,787</u>
Total liabilities	<u>1,049,419</u>	<u>1,277,217</u>	<u>5,169,778</u>	<u>5,419,987</u>	<u>6,219,197</u>	<u>6,697,204</u>
<b>Deferred inflows of resources</b>	<u>77,177</u>	<u>95,465</u>	<u>781</u>	<u>2,013</u>	<u>77,958</u>	<u>97,478</u>
<b>Net Position</b>						
Net Investment in Capital Assets	2,273,510	2,178,444	3,839,434	3,895,268	6,112,944	6,073,712
Restricted for:						
Stabilization by State Statute	299,895	222,922	-	-	299,895	222,922
Transportation	110,439	124,839	-	-	110,439	124,839
Administration	11,487	22,995	-	-	11,487	22,995
Unrestricted(Deficit)	<u>1,455,320</u>	<u>1,473,653</u>	<u>4,591,344</u>	<u>3,929,187</u>	<u>6,046,664</u>	<u>5,402,840</u>
Total Net Position	\$ <u>4,150,651</u>	\$ <u>4,022,853</u>	\$ <u>8,430,778</u>	\$ <u>7,824,455</u>	\$ <u>12,581,429</u>	\$ <u>11,847,308</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town White Lake exceeded liabilities and deferred inflows by \$12,581,429 of June 30, 2024. The Town's net position increased by \$734,121 for the fiscal year ended June 30, 2024. However, the largest portion \$6,112,944 (49%) reflects the Town's net investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The Town of White Lake uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of White Lake's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of White Lake's net position, \$421,821 (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,046,664, (48%) is unrestricted.

One particular aspect of the Town's financial operations influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 97.56%.

**Town of White Lake's Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 824,280	\$ 512,232	\$ 1,966,349	\$ 1,849,443	\$ 2,790,629	\$ 2,361,675
Grants and Entitlements	449,818	74,059	135,060	71,125	584,878	145,184
General Revenue						
Property Taxes	861,364	863,619	-	-	861,364	863,619
Grants and contributions not restricted to specific programs	501,656	506,867	-	-	501,656	506,867
Other Taxes	13,460	14,065	-	-	13,460	14,065
Investment Earnings	112,242	74,225	216,818	104,567	329,060	178,792
Other	19,896	289,989	(28,784)	200	(8,888)	290,189
Total Revenues	<u>2,782,716</u>	<u>2,335,056</u>	<u>2,289,443</u>	<u>2,025,335</u>	<u>5,072,159</u>	<u>4,360,391</u>
Expenses						
General Government	846,200	728,304	-	-	846,200	728,304
Public Safety	1,304,609	1,110,889	-	-	1,304,609	1,110,889
Transportation	203,868	151,257	-	-	203,868	151,257
Environmental Protection	298,006	287,773	-	-	298,006	287,773
Cultural and Recreation	-	-	-	-	-	-
Interest on Long-Term Debt	2,235	4,224	-	-	2,235	4,224
Water and Sewer Fund	-	-	1,683,120	1,500,123	1,683,120	1,500,123
Total Expenses	<u>2,654,918</u>	<u>2,282,447</u>	<u>1,683,120</u>	<u>1,500,123</u>	<u>4,338,038</u>	<u>3,782,570</u>
Increase in Net Position Before Transfers	127,798	52,609	606,323	525,212	734,121	577,821
Transfers	-	-	-	-	-	-
Increase(Decrease) in Net Position	127,798	52,609	606,323	525,212	734,121	577,821
Net Position, beginning	4,022,853	3,970,244	7,824,455	7,299,243	11,847,308	11,269,487
Net Position, ending	<u>\$ 4,150,651</u>	<u>\$ 4,022,853</u>	<u>\$ 8,430,778</u>	<u>\$ 7,824,455</u>	<u>\$ 12,581,429</u>	<u>\$ 11,847,308</u>

**Governmental activities.** Governmental activities increased the Town of White Lake's net position by \$127,798.

**Business-type activities:** Business-type activities increased the Town of White Lake's net position by \$606,323. Key elements of the current year operating increases were:

- Increase in revenues.
- Grant proceeds

**Financial Analysis of the Town's Funds**

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

**Governmental Funds.** The focus of the Town of White Lake'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 White Lake's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of White Lake. At the end of the current fiscal year, the Town of White Lake's unassigned fund balance in the General Fund was \$1,269,909, while total fund balance reached \$2,308,119. The Governing Body of the Town of White Lake follows the North Carolina Local Government Commission recommendation that the Town maintains available fund balance sufficient to cover cost 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 86%.

At June 30, 2024, the governmental funds of the Town of White Lake reported a combined fund balance of \$2,451,049 , a \$213,612 increase.

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

Revenues were more than the budgeted amounts primarily due to no significant reason and expenditures were held in check.

**Proprietary Fund.** The Town’s proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$4,591,344. The increase in net position for this fund was \$606,323. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town’s business-type activities.

**Capital Asset and Debt Administration**

**Capital assets.** The Town of White Lake’s investment in capital assets for its governmental and business–type activities as of June 30, 2024, totals \$10,684,034 net of accumulated depreciation). These assets include buildings, infrastructure, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year include the following additions and disposals:

- Various equipment was purchased.

**Town of White Lake’s Capital Assets  
Figure 4 (net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 245,821	\$ 245,821	\$ 43,898	\$ 43,898	\$ 289,719	\$ 289,719
Construction in Progress	-	-	8,674	2,706,250	8,674	2,706,250
Buildings and Improvements	1,843,738	1,946,967	7,807,400	5,319,569	9,651,138	7,266,536
Equipment	158,484	93,962	456,698	332,011	615,182	425,973
Vehicles and Motor Equipment	5,319	12,314	114,002	137,274	119,321	149,588
	<u>\$ 2,253,362</u>	<u>\$ 2,299,064</u>	<u>\$ 8,430,672</u>	<u>\$ 8,539,002</u>	<u>\$ 10,684,034</u>	<u>\$ 10,838,066</u>

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

**Long-term Debt.** As of June 30, 2024, the Town of White Lake had total bonded debt outstanding of \$0.

**Town of White Lake’s Outstanding Debt**

The Town of White Lake’s total debt decreased by \$115,183 during this past fiscal year, primarily due to newly issued debt to finance the sewer improvement capital project.

The Town of White Lake’s bond rating remains at 79. This bond rating is a clear indication of the sound financial condition of The Town of White Lake. The Town of White Lake is one of the few towns in the country that maintains the highest financial rating from this major rating agency. This achievement is a primary factor in keeping interest costs low on the Town’s outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Town of White Lake is \$25,458,837. The Town has \$0 in authorized bonds as of June 30, 2024.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Direct Placement						
Installment Contract	\$ 57,933	\$ 120,620	\$ 4,591,238	\$ 4,643,734	\$ 4,649,171	\$ 4,764,354
	\$ 57,933	\$ 120,620	\$ 4,591,238	\$ 4,643,734	\$ 4,649,171	\$ 4,764,354

Additional information regarding the Town of White Lake’s long-term debt can be found in the notes of this report.

**Economic Factors and Next Year’s Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the Town of White Lake.

The Town of White Lake is a small community located in Bladen County, (a Tier I County) with a year-round population of 844 residents as of July 1, 2023 according to the Office of State Management and Budget. There being no industrial tax base, the Town relies on tourism as its only true industry. The commercial and tourist attractions located around the Lake itself rely entirely on seasonal dollars for their livelihoods.

Without an industrial tax base, the Town must rely solely on tax revenue collections to fund all of the required services such as police/fire protection and sanitation. The General Fund receives its operating revenues from various sources, including property (ad valorem) taxes, intergovernmental or state-shared revenues, user fees, interest income, and miscellaneous revenues.

**Budget Highlights for the Fiscal Year Ending June 30, 2025**

**Governmental Activities:**

**Multi-Use Trail – Phase II**

The Town is continuing the search for funding sources. Available funding will determine the continuation of the project.

**White Lake “Lake Water” Management Plan**

The Town continues to face long-term challenges of identifying nutrient sources entering into the lake and the development of a Lake Water Management Plan. In an effort to strengthen the General Fund’s unassigned Fund Balance, keep the Town financially sound, support the ongoing cost of the studies and the development of a Lake Water Management Program in the General Fund, the Town charges a \$2.00 Lake Water Management Fee per month to residents for the Aquatic Control Fund.

**Phase I Streetscape Master Plan**

The Town will continue to search for funding sources for the White Lake Gateway Streetscape. The proposed White Lake Gateway Streetscape Master Plan will leverage private investment from a range of small businesses. Several small businesses with a total of 87 employees have written in support of this initiative and have indicated 30 new jobs may be created as a result of the project.

**Phase I Stormwater Plan**

As a continued process to maintain the health of the lake, the Town will explore funding avenues in order to implement a stormwater plan to minimize runoff into the lake.



## **Business – Type Activities:**

### **Phase 3 Sewer Sanitary Improvement Project**

The town has applied, and is waiting to hear back, on a \$4,428,322 grant application to rehab/replace 5,595 of 8" gravity sewer, 67 manholes, and 100 4" sewer services, & rehabilitate pump stations #1 thru #7, and install a SCADA system.

### **Phase 1 Water Improvement Project**

The Town has applied, and is waiting to hear back, on a \$1,407,001 grant application to replace 7,405 LF of 2", 4", and 6" water main, 7 hydrants, 30 valves, and 300 water services/meters.

### **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, 1879 White Lake Dr. PMB 7250, White Lake, NC 28337 or at 910-862-4800.

## Basic Financial Statements

Town of White Lake, North Carolina  
**Statement of Net Position**  
June 30, 2024

Exhibit 1

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash & Cash Equivalents	\$ 2,081,271	\$ 4,301,061	\$ 6,382,332
Restricted Cash & Cash Equivalents	121,926	195,652	317,578
Taxes receivable (Net)	39,831	-	39,831
Accrued interest receivable on taxes	7,119	-	7,119
Accounts Receivable (Net)	43,533	407,813	451,346
Due from other governments	256,362	75,910	332,272
Inventory	-	43,425	43,425
Total current assets	<u>2,550,042</u>	<u>5,023,861</u>	<u>7,573,903</u>
Non-current Assets:			
Capital Assets:			
Land and nondepreciable improvements	245,821	52,572	298,393
Other capital assets, net of depreciation	<u>2,007,541</u>	<u>8,378,100</u>	<u>10,385,641</u>
Total capital assets	<u>2,253,362</u>	<u>8,430,672</u>	<u>10,684,034</u>
Total assets	<u>4,803,404</u>	<u>13,454,533</u>	<u>18,257,937</u>
<b>Deferred Outflows of Resources</b>	<u>473,843</u>	<u>146,804</u>	<u>620,647</u>
<b>Liabilities</b>			
Current liabilities			
Accounts Payable and Accrued Liabilities	48,786	94,362	143,148
Accrued Interest Payable	1,981	18,563	20,544
Current Portion of Long-term Debt	50,100	354,187	404,287
Liabilities paid from Restricted Assets:			
Customer Deposits	-	195,652	195,652
Long-term Liabilities:			
Net Pension Liability	565,086	230,810	795,896
Total Pension Liability	302,344	-	302,344
Due in More Than One Year	<u>81,122</u>	<u>4,276,204</u>	<u>4,357,326</u>
Total liabilities	<u>1,049,419</u>	<u>5,169,778</u>	<u>6,219,197</u>
<b>Deferred Inflows of Resources</b>	<u>77,177</u>	<u>781</u>	<u>77,958</u>
<b>Net position</b>			
Net Investment in Capital Assets	2,195,429	3,839,434	6,034,863
Restricted for:			
Stabilization by State Statute	299,895	-	299,895
Transportation	110,439	-	110,439
Administration	11,487	-	11,487
Unrestricted	<u>1,533,401</u>	<u>4,591,344</u>	<u>6,124,745</u>
Total Net Position	<u>\$ 4,150,651</u>	<u>\$ 8,430,778</u>	<u>\$ 12,581,429</u>

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 846,200	\$ 352,143	\$ 331,434	\$ -	\$ (162,623)	\$ -	\$ (162,623)
Public Safety	1,304,609	29,626	89,578	-	(1,185,405)	-	(1,185,405)
Transportation	203,868	-	28,159	-	(175,709)	-	(175,709)
Environmental Protection	298,006	442,511	647	-	145,152	-	145,152
Interest on Long-Term Debt	2,235	-	-	-	(2,235)	-	(2,235)
Total Governmental Activities	<u>2,654,918</u>	<u>824,280</u>	<u>449,818</u>	<u>-</u>	<u>(1,380,820)</u>	<u>-</u>	<u>(1,380,820)</u>
<b>Business-Type Activities:</b>							
Water and Sewer Fund	<u>1,683,120</u>	<u>1,966,349</u>	<u>-</u>	<u>135,060</u>	<u>-</u>	<u>418,289</u>	<u>418,289</u>
Total Business-Type Activities	<u>1,683,120</u>	<u>1,966,349</u>	<u>-</u>	<u>135,060</u>	<u>-</u>	<u>418,289</u>	<u>418,289</u>
	<u>\$ 4,338,038</u>	<u>\$ 2,790,629</u>	<u>\$ 449,818</u>	<u>\$ 135,060</u>			
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purpose					861,364	-	861,364
Other taxes					13,460	-	13,460
Grants and contributions not restricted to specific programs					501,656	-	501,656
Investment earnings, unrestricted					112,242	216,818	329,060
Miscellaneous, unrestricted					19,896	(28,784)	(8,888)
Total general revenues and transfers					<u>1,508,618</u>	<u>188,034</u>	<u>1,696,652</u>
Change in net position					127,798	606,323	734,121
Total net position, beginning					<u>4,022,853</u>	<u>7,824,455</u>	<u>11,847,308</u>
Total net position, ending					<u>\$ 4,150,651</u>	<u>\$ 8,430,778</u>	<u>\$ 12,581,429</u>

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

**Balance Sheet**  
**Governmental Funds**  
June 30, 2024

	Major Funds			Total Governmental Funds
	General Fund	Lake Water Restoration Capital Project	American Relief Plan Fund	
<b>Assets</b>				
Cash and cash equivalents	\$ 1,938,341	\$ 142,930	\$ -	\$ 2,081,271
Restricted cash	121,926	-	-	121,926
Receivables (net):				
Taxes	39,831	-	-	39,831
Accounts	43,533	-	-	43,533
Due from other governments	256,362	-	-	256,362
<b>Total assets</b>	<b>\$ 2,399,993</b>	<b>\$ 142,930</b>	<b>\$ -</b>	<b>\$ 2,542,923</b>
<b>Liabilities</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 48,786	\$ -	\$ -	\$ 48,786
Total liabilities	48,786	-	-	48,786
<b>Deferred Inflows of Resources</b>				
Property taxes receivable	39,831	-	-	39,831
Prepaid taxes	3,257	-	-	3,257
Total deferred Inflows of Resources	43,088	-	-	43,088
<b>Fund Balances</b>				
Restricted				
Stabilization by State Statute	299,895	-	-	299,895
Streets	110,439	-	-	110,439
Public Safety	11,487	-	-	11,487
Committed				
Capital Projects	616,389	142,930	-	759,319
Assigned				
Subsequent Years Expenditures	-	-	-	-
Unassigned	1,269,909	-	-	1,269,909
Total fund balances	2,308,119	142,930	-	2,451,049
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,399,993</b>	<b>\$ 142,930</b>	<b>\$ -</b>	<b>\$ 2,542,923</b>

**Balance Sheet**  
**Governmental Funds**  
June 30, 2024

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Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Total fund balance, governmental funds	\$	2,451,049
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$	5,938,585
Accumulated depreciation	<u>(3,685,223)</u>	2,253,362
Deferred outflows of resources related to pensions are not reported in the funds.		
		473,843
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds		
		7,119
Earned revenues considered deferred inflows of resources in fund statements.		
		39,831
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:		
Gross long-term debt		(131,222)
Total pension liability		(302,344)
Net pension liability		(565,086)
Deferred inflows of resources related to pensions are not reported in the funds.		
		(73,920)
Other long-term liabilities (accrued interest) are due and payable in the current period and therefore are not reported in the funds		
		<u>(1,981)</u>
Net position of governmental activities	\$	<u><u>4,150,651</u></u>

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

Exhibit 4

	Major Funds			Total Governmental Funds
	General Fund	Lake Water Restoration Capital Project	American Relief Plan Fund	
<b>Revenues:</b>				
Ad valorem taxes	\$ 870,605	\$ -	-	\$ 870,605
Other taxes and licenses	13,460	-	-	13,460
Unrestricted intergovernmental	501,656	-	-	501,656
Restricted intergovernmental	204,740	-	245,078	449,818
Permits and fees	13,040	-	-	13,040
Sales and services	811,240	-	-	811,240
Other revenues	134,019	-	-	134,019
Total revenues	<u>2,548,760</u>	<u>-</u>	<u>245,078</u>	<u>2,793,838</u>
<b>Expenditures:</b>				
Current:				
General government	711,966	-	207,329	919,295
Public safety	1,031,359	-	37,749	1,069,108
Transportation	228,445	-	-	228,445
Environmental protection	297,906	-	-	297,906
Cultural and recreation	-	-	-	-
Debt service				
Principle	62,687	-	-	62,687
Interest	2,785	-	-	2,785
Total expenditures	<u>2,335,148</u>	<u>-</u>	<u>245,078</u>	<u>2,580,226</u>
Revenues over (under) expenditures	<u>213,612</u>	<u>-</u>	<u>-</u>	<u>213,612</u>
Net change in fund balance	213,612	-	-	213,612
Fund balances, beginning	2,094,507	142,930	-	2,237,437
Fund balances, ending	<u>\$ 2,308,119</u>	<u>\$ 142,930</u>	<u>-</u>	<u>\$ 2,451,049</u>

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

Exhibit 4, continued

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

Net changes in fund balances - total governmental funds	\$	213,612
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Loss on Disposal of Asset	\$ (1,881)	
Capital outlay expenditures which were capitalized	258,608	
Depreciation expense for government assets	<u>(302,429)</u>	(45,702)
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		109,406
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue for tax revenues		(9,241)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal payments on long-term debt	62,687	
Change in accrued interest payable	<u>550</u>	63,237
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Pension expenses	(201,701)	
Compensated absences	<u>(1,813)</u>	<u>(203,514)</u>
Total changes in net position of governmental activities.	\$	<u><u>127,798</u></u>



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

Exhibit 5

	General Fund			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	\$ 840,379	\$ 840,379	\$ 870,605	\$ 30,226
Other taxes and licenses	10,000	10,000	13,460	3,460
Unrestricted intergovernmental	518,623	518,623	501,656	(16,967)
Restricted intergovernmental	53,551	183,330	204,740	21,410
Permits and fees	15,605	15,605	13,040	(2,565)
Sales and services	829,999	829,645	811,240	(18,405)
Other revenues	93,767	133,916	134,019	103
Total revenues	<u>2,361,924</u>	<u>2,531,498</u>	<u>2,548,760</u>	<u>17,262</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	749,497	752,128	711,966	40,162
Public safety	1,211,927	1,127,453	1,031,359	96,094
Transportation	81,913	246,661	228,445	18,216
Environmental protection	312,477	359,176	297,906	61,270
Debt service	72,465	66,962	65,472	1,490
Total expenditures	<u>2,428,279</u>	<u>2,552,380</u>	<u>2,335,148</u>	<u>217,232</u>
Revenues over (under) expenditures	<u>(66,355)</u>	<u>(20,882)</u>	<u>213,612</u>	<u>234,494</u>
<b>Other financing sources (uses):</b>				
Proceeds From Installment Purchase	66,355	-	-	-
Total other financing sources (uses)	<u>66,355</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance Appropriated	-	99,124	-	(99,124)
Increase in Designated Fund Balance	<u>-</u>	<u>(78,242)</u>	<u>-</u>	<u>78,242</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	213,612	<u>\$ 213,612</u>
Fund balances, beginning			<u>2,094,507</u>	
Fund balances, ending			<u>\$ 2,308,119</u>	

Town of White Lake, North Carolina  
**Statement of Fund Net Position**  
**Proprietary Fund**  
June 30, 2024

Exhibit 6

	Water and Sewer Fund
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 4,301,061
Restricted Cash	195,652
Accounts receivable (net)	311,212
Accounts receivable - other	96,601
Restricted receivable	75,910
Inventories	43,425
Total current assets	5,023,861
Non-Current Assets:	
Capital assets:	
Land and other non-depreciable assets	52,572
Other capital assets, net of depreciation	8,378,100
Capital assets (net)	8,430,672
Total assets	13,454,533
<b>Deferred Outflows of Resources</b>	146,804
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	94,362
Accrued Interest	18,563
Accrued Vacation	15,750
Current Portion of Long Term Debt	338,437
Liabilities paid from Restricted Assets:	
Customer deposits	195,652
Total liabilities	662,764
Noncurrent liabilities:	
Notes Payable	4,252,801
Net Pension Liability	230,810
Accrued Vacation	23,403
Total noncurrent liabilities	4,507,014
Total liabilities	5,169,778
<b>Deferred Inflows of Resources</b>	781
<b>Net position</b>	
Net investment in capital assets	3,839,434
Unrestricted	4,591,344
Total net position	\$ 8,430,778

Town of White Lake, North Carolina  
**Statements of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
For the Year Ended June 30, 2024

Exhibit 7

	Water and Sewer Fund
<b>Operating revenues:</b>	
Water Charges	\$ 702,428
Wastewater Charges	1,096,682
Late Fees	158,476
Miscellaneous	8,763
Total	1,966,349
<b>Operating Expenses:</b>	
Water	
Salaries	174,674
Employee Benefits	87,436
Other Operating Expenses	364,592
Repairs	96,362
Depreciation	130,406
Total Water	853,470
Wastewater	
Salaries	185,855
Employee Benefits	91,428
Other Operating Expenses	300,099
Repairs	37,664
Depreciation	130,405
Total Sewer	745,451
Operating income	367,428
<b>Nonoperating revenues (expenses):</b>	
Investment earnings	216,818
Gain or Loss on Disposal of Assets	(28,784)
Interest and fees	(84,199)
Total nonoperating revenues (expenses)	103,835
Income (loss) before contributions	471,263
Capital Contribution	135,060
<b>Change in net position</b>	606,323
<b>Total net position, beginning</b>	7,824,455
<b>Total net position, ending</b>	\$ 8,430,778

Town of White Lake, North Carolina  
**Statement of Cash Flows**  
**Proprietary Fund**  
For The Year Ended June 30, 2024

Exhibit 8

	Water and Sewer Fund
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 1,905,606
Cash paid for goods and services	(1,193,594)
Cash paid to employees for services	(352,484)
Customer deposits received - Net	4,362
Net cash provided by operating activities	363,890
<b>Cash flows from capital and related financing activities</b>	
Acquisition and construction of capital assets	(183,615)
Proceeds from Sale of Assets	2,350
State Grants	59,150
Principal paid on bond maturities	(304,887)
Interest paid on bond maturities	(89,756)
Proceeds from Loan Proceeds	252,391
Net cash used by capital and related financing activities	(264,367)
<b>Cash flows from investing activities:</b>	
Interest on investments	216,818
Net increase in cash and cash equivalents	316,341
Cash and cash equivalents:	
Balances, beginning	4,180,372
Balances, ending	\$ 4,496,713
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income (loss)	\$ 367,428
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	260,811
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(60,743)
(Increase) decrease in inventory	2,215
(Increase)/decrease in deferred outflows of resources-pensions	(12,433)
Increase (decrease) in accounts payable and accrued liabilities	(243,246)
Increase/(decrease) in net pension liability	38,683
Increase/(decrease) in deferred inflows of resources-pensions	(1,232)
Increase (decrease) in customer deposits	4,362
Increase (decrease) in accrued vacation pay	8,045
Total adjustments	(3,538)
Net cash provided by operating activities	\$ 363,890

TOWN OF WHITE LAKE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2024

NOTE 1: DESCRIPTION OF UNIT

The Town of White Lake is located in the southeastern area of the State. The Town maintains its own police, fire, and sanitation departments. In addition, the Town of White Lake operates water and sewer utilities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of White Lake 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 White Lake is a municipal corporation that is governed by an elected mayor and a six-member council. The Town 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. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds. Separate statements for each fund category-*governmental and proprietary* - are presented. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources of the general government except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

*Lake Water Restoration Capital Project* – This fund is used to account for determination of water quality issues and treatment of the lake water.

*American Rescue Plan Act Fund* – Which reports the activity of ARP Act funding received.

The Town does not have and non-major governmental funds.

The Town reports the following major enterprise funds:

*Water and Sewer Fund* - This fund is used to account for the Town's water and sewer operations. A Water and Sewer Capital Projects Fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Projects Fund has been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Sales taxes and certain intergovernmental revenues, such as the beer and wine 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 White Lake because the tax is levied by Bladen County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Capital Reserve Fund and the Enterprise Fund. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Project Funds. The enterprise fund capital projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi year funds. The Town clerk is authorized by the budget ordinance to transfer appropriations between departments within a fund; however, any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the time until annual ordinance can be adopted.

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

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. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

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

Restricted Assets – Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4. Unspent grant funds are classified as restricted until expended.

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Notes to the Financial Statements

<u>Town of White Lake Restricted Cash</u>	
Governmental Activities	
General Fund	
Streets	\$ 110,439
Drug Funds	11,487
Total government activities	<u>\$ 121,926</u>
Business-type Activities	
Water and Sewer Fund	<u>\$ 195,652</u>
Customer deposits	<u>\$ 195,652</u>
Total Business-type Activities	
Total Restricted Cash	<u>\$ 317,578</u>

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 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2023. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

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.

Inventory - The inventories of the Town are valued at cost (first-in, first-out), which approximates market.

The inventories of the Town's enterprise fund consist of materials and supplies held for subsequent use. The cost of these inventories are recorded as an expense as the inventories are consumed.

Capital Assets - Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$5,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$50,000; furniture and equipment, \$5,000; and vehicles, \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	30
Motor Vehicles	5
Equipment	10
Plant Assets	50



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 one item that meet this criterion, pension deferrals for 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 has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, and pension deferrals for the 2024 fiscal year.

Long-Term Obligations - In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

Compensated Absences - The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's governments-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported in the governmental-wide or proprietary funds.

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. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

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

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

The governmental fund types classify fund balances as follows:

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

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

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

TOWN OF WHITE LAKE, NORTH CAROLINA  
Notes to the Financial Statements

nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Restricted for Public Safety – portion of fund balance that is restricted for expenditures in the police department.

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

Committed for Capital Projects – portion of fund balance assigned for the purchase of fixed assets.

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

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation and any modifications to the original budget.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of White Lake adheres to the North Carolina Local Government Commission’s recommendation of a minimum fund balance for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance does not go below eight percent of budgeted expenditures. Any portion of the general fund balance in excess of 8% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

Defined Benefit Cost-Sharing Plans - For purposes of measuring the net pension (asset)/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 White Lake’s employer contributions are recognized when due and the Town of White Lake 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.

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Noncompliance with N.C. General Statutes

None.

Deficit in Fund Balance or Net Position of Individual Funds

None.

Excess of Expenditures over Appropriations

None.

NOTE 4: DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits - All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. 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 the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town 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 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 \$544,612 and a bank balance of \$651,248. All of the Town's deposits were covered by federal depository insurance. No remaining balance was covered under the pooling method. At June 30, 2024, petty cash accounts totaled \$3,095.

Investments

At June 30, 2024, the Town of White Lake had \$6,152,203 invested with the North Carolina Capital Management Trust Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no formal policy regarding credit risk.

Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position are net of the following allowances for doubtful accounts:

Fund	June 30, 2024
General Fund	
Taxes Receivable	\$ 15,000
Accounts Receivable	-
Total	\$ 15,000
Enterprise Fund	
Accounts Receivable	\$ 35,024
Total	\$ 35,024

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Notes to the Financial Statements

Capital Assets

**Primary Government**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities:</b>				
<b>Capital Assets not Being Depreciated:</b>				
Land	\$ 245,821	\$ -	\$ -	\$ 245,821
Construction in Progress	-	-	-	-
Total Capital Assets not Being Depreciated:	<u>245,821</u>	<u>-</u>	<u>-</u>	<u>245,821</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	2,142,838	5,159	-	2,147,997
Other Improvements	1,186,656	-	-	1,186,656
Equipment	791,430	159,710	(14,107)	937,033
Vehicles and Motor Equipment	1,425,910	93,739	(98,571)	1,421,078
Total Capital Assets Being Depreciated:	<u>5,546,834</u>	<u>258,608</u>	<u>(112,678)</u>	<u>5,692,764</u>
<b>Less Accumulated Depreciation</b>				
Buildings	1,115,830	51,633	-	1,167,463
Other Improvements	266,697	56,755	-	323,452
Equipment	697,468	93,325	(12,244)	778,549
Vehicles and Motor Equipment	1,413,596	100,716	(98,553)	1,415,759
Total Accumulated Depreciation	<u>3,493,591</u>	<u>\$ 302,429</u>	<u>\$ (110,797)</u>	<u>3,685,223</u>
<b>Total Capital Assets Being Depreciated, net</b>	<u>2,053,243</u>			<u>2,007,541</u>
<b>Governmental Activity Capital Assets, net</b>	<u>\$ 2,299,064</u>			<u>\$ 2,253,362</u>

**Primary Government**

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

General Government	\$ 46,731
Public Safety	182,408
Transportation	73,190
Environmental Protection	100
Total Depreciation Expense	<u>\$ 302,429</u>

TOWN OF WHITE LAKE, NORTH CAROLINA  
Notes to the Financial Statements

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type Activities:</b>				
<b>Water and Sewer Fund</b>				
<b>Capital Assets not Being Depreciated:</b>				
Land	\$ 43,898	\$ -	\$ -	\$ 43,898
Construction in Progress	2,706,250	8,674	(2,706,250)	8,674
Total Capital Assets not Being Depreciated:	<u>2,750,148</u>	<u>8,674</u>	<u>(2,706,250)</u>	<u>52,572</u>
<b>Capital Assets Being Depreciated:</b>				
Plant and Distribution	9,036,162	2,706,250	-	11,742,412
Equipment	776,817	174,941	(120,054)	831,704
Vehicles and Motor Equipment	259,330	-	-	259,330
Total Capital Assets Being Depreciated:	<u>10,072,309</u>	<u>2,881,191</u>	<u>(120,054)</u>	<u>12,833,446</u>
<b>Less Accumulated Depreciation</b>				
Plant and Distribution	3,716,593	218,419	-	3,935,012
Equipment	444,806	19,120	(88,920)	375,006
Vehicles and Motor Equipment	122,056	23,272	-	145,328
Total Accumulated Depreciation	<u>4,283,455</u>	<u>\$ 260,811</u>	<u>\$ (88,920)</u>	<u>4,455,346</u>
<b>Total Capital Assets Being Depreciated, net</b>	<u>5,788,854</u>			<u>8,378,100</u>
<b>Water and Sewer Capital Assets, Net</b>	<u>\$ 8,539,002</u>			<u>\$ 8,430,672</u>

B. Liabilities

Pension Plan Obligations

Local Governmental Employees' Retirement System

*Plan Description.* The Town of White Lake 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 Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor’s Alternate Benefit for life or a return of the member’s contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of White Lake 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 White Lake’s contractually required contribution rate for the year ended June 30, 2024, was 15.04% of compensation for law enforcement officers and 13.65% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of White Lake were \$154,093 for the year ended June 30, 2024.

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

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

At June 30, 2024, the Town reported a liability of \$795,896 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the Town’s proportion was 0.01202%, which was an increase of 0.00011% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$190,002. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 88,686	\$ 1,909
Changes of assumptions	33,821	-
Net difference between projected and actual earnings on pension plan investments	213,017	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	16,603	785
Town benefit payments subsequent to the measurement date	154,093	-
Total	<u>\$ 506,220</u>	<u>\$ 2,694</u>

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Notes to the Financial Statements

\$154,093 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Years Ending June 30:</u></b>	
2025	\$ 133,522
2026	63,800
2027	143,103
2028	9,008
2029	-
Thereafter	-
	<u>\$ 349,433</u>

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

Inflation	2.50%
Salary Increases	3.25% to 8.05%
Investment Rate of Return	6.50%, 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. 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, 2024 are summarized in the following table:

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

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The information above is based on 30 year expectations developed with the consulting actuary for the 2024 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

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

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

	<b>1% Decrease (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Town's proportionate share of the net pension liability (asset)	\$ 1,378,859	\$ 795,896	\$ 315,947

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

Law Enforcement Officers’ Special Separation Allowance

*Plan Description* - The Town of White Lake administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>6</u>
Total	<u>6</u>

A separate report was not issued for the plan.

*Summary of Significant Accounting Policies:*

*Basis of Accounting* - The Town has chosen to fund the Separation Allowance on a pay as you go basis. However, the Town has assigned a portion of fund balance designated for this. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.



TOWN OF WHITE LAKE, NORTH CAROLINA  
Notes to the Financial Statements

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

*Actuarial Assumptions*

The entry age actuarial cost method was used in the December 31, 2022 valuation. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25% to 7.75%, including inflation and productivity factor
Discount Rate	4.00%

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

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

*Contributions*

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The town paid \$0 as benefits came due for the reporting period.

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

At June 30, 2024, the Town reported a total pension liability of \$302,344. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of \$34,018.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 67,856	\$ 34,657
Changes of assumptions	46,571	37,350
Town benefit payments and plan administrative expense made subsequent to the measurement date	-	-
	<u>\$ 114,427</u>	<u>\$ 72,007</u>

TOWN OF WHITE LAKE, NORTH CAROLINA  
Notes to the Financial Statements

\$0 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date have been reported as deferred. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Years Ending June 30:**

2025	\$ 12,207
2026	10,527
2027	9,059
2028	3,041
2029	1,905
Thereafter	5,681
	<u>\$ 42,420</u>

*Sensitivity of the Town's total pension liability to changes in the discount rate.* The following presents the Town's total pension liability calculated using the discount rate of 4.00 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	<u>1% Decrease</u> <u>(3.00%)</u>	<u>Discount Rate</u> <u>(4.00%)</u>	<u>1% Increase</u> <u>(5.00%)</u>
Total Pension Liability	\$ 328,524	\$ 302,344	\$ 278,222

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

	<u>2024</u>
Beginning Balance	\$ 217,333
Service Cost	11,253
Interest on the total pension liability	9,367
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	57,183
Changes of assumptions or other inputs	7,208
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 302,344</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 795,896	\$ -	\$ 795,896
Proportion of the Net Pension Liability (Asset)	0.01202%	n/a	
Total Pension Liability	\$ -	\$ 302,344	\$ 302,344
Pension Expense	\$ 190,002	\$ 34,018	\$ 224,020

**Deferred Outflows of Resources**

Differences between expected and actual experience	\$ 88,686	\$ 67,856	\$ 156,542
Changes of assumptions	33,821	46,571	80,392
Net difference between projected and actual earnings on pension plan investments	213,017	-	213,017
Changes in proportion and differences between County contributions and proportionate share of contributions	16,603	-	16,603
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	154,093	-	154,093

**Deferred Inflows of Resources**

Differences between expected and actual experience	1,909	34,657	36,566
Changes of assumptions	-	37,350	37,350
Changes in proportion and differences between County contributions and proportionate share of contributions	785	-	785

**Supplemental Retirement Income Plan**

*Plan Description* - The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to all qualifying employees employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

*Funding Policy* – Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. For all other plan members, the Town contributes two percent. Also, plan members may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$62,036, which consisted of \$37,832 from the Town and \$24,204 from employees.

**Other Employment Benefits**

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump

sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

Deferred Outflows/Inflows of Resources

The Town has several deferred outflows of resources, as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension - difference between expected and actual experience		
LGERS	\$ 88,686	\$ 1,909
LEOSSA	67,856	34,657
Changes of Assumptions	80,392	37,350
Net difference between projected and actual earnings on pension plan investments	213,017	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	16,603	785
Town contributions subsequent to the measurement date	154,093	-
Benefit payments for the OPEB plan paid subsequent to the measurement date		-
Prepaid Regular Property Taxes Not Yet Earned	-	3,257
Total - Government Wide	<u>\$ 620,647</u>	<u>\$ 77,958</u>
Prepaid Regular Property Taxes Not Yet Earned	\$ -	\$ 3,257
Taxes Receivable (Net) - General	-	39,831
Total - General Fund	<u>\$ -</u>	<u>\$ 43,088</u>

Commitment – The Town is under contract with Bladen County to provide fire protection within the district described in the agreement. The term is for one year in the amount of \$29,490.

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 participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request. Health insurance is obtained for employees through a different private provider.

Flood insurance coverage has been purchased those locations designated to be at risk of flooding.

TOWN OF WHITE LAKE, NORTH CAROLINA  
Notes to the Financial Statements

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer and tax collector are each individually bonded for \$500,000 and \$10,000, respectively.

Claims and Judgements - There are no pending monetary suits against the Town as of June 30, 2024.

Long-Term Obligations

Notes Payable

**Governmental Activities**

First Bank \$237,772 dated March 2, 2016 for a direct placement contract to purchase a 2016 E-One Pumper is payable in annual payments of \$26,889 including interest at 2.75%, beginning April 2, 2016. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$57,933 with final payment expected in April 2025.

**Business-Type Activities**

BB&T \$457,993 dated December 18, 2008 for a direct placement contract to extend water lines payable in 20 annual payments of \$34,571 including interest at 4.29%, beginning December 2009. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$152,658 with final payment expected in December 2028.

NC Department of Environmental Quality \$2,134,924 dated January 14, 2021 for a Water Pollution Control Revolving Fund loan for sewer improvements payable in 20 payments of varying amounts including interest at 1.82%, beginning May 1, 2022. \$106,746 principal payments are made annually, and interest payments are semi-annually. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$1,814,685 with final payment expected in May 2041.

NC Department of Environmental Quality \$2,647,015 dated October 3, 2021 for a Water Pollution Control Revolving Fund loan for sewer improvements payable in 20 payments of varying amounts including interest at 1.13%, beginning November 1, 2023. \$132,351 principal payments are made annually, and interest payments are semi-annually. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$2,541,665 with final payment expected in May 2043.

First Bank dated October 11, 2022 for a direct placement contract to purchase three public works vehicles is payable in annual payments of \$44,087 including interest at 4.46% beginning October 11, 2023. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$82,230 with final payment expected in October 2025.

TOWN OF WHITE LAKE, NORTH CAROLINA  
Notes to the Financial Statements

The future minimum payments of the installment purchases as of June 30, 2024, separating principal and interest are as follows:

Year Ending 30-Jun	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2025	25,450	1,439	338,437	71,435
2026	32,483	729	314,159	64,916
2027	-	-	273,538	58,225
2028	-	-	274,845	53,424
2029	-	-	276,209	48,552
2030-2034	-	-	1,215,300	182,996
Total	\$ 57,933	\$ 2,168	\$ 4,591,238	\$ 590,428

Changes in Long Term Liabilities

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion
<b>Governmental Activities:</b>					
Compensated Absences	\$ 71,476	\$ 24,650	\$ (22,837)	\$ 73,289	\$ 24,650
Net pension liability (LGERS)	479,767	85,319	-	565,086	-
Total pension liability (LEO)	217,333	85,011	-	302,344	-
Direct Placement Installment Contract	120,620	-	(62,687)	57,933	25,450
Total Governmental Activities	\$ 889,196	\$ 194,980	\$ (85,524)	\$ 998,652	\$ 50,100
<b>Business-Type Activities:</b>					
<b>Water and Sewer Fund</b>					
Compensated Absences	\$ 31,108	\$ 15,750	\$ (7,705)	\$ 39,153	\$ 15,750
Net pension liability (LGERS)	192,127	38,683	-	230,810	-
Direct Placement Installment Contract	4,643,734	252,391	(304,887)	4,591,238	338,437
Total Water District	\$ 4,866,969	\$ 306,824	\$ (312,592)	\$ 4,861,201	\$ 354,187

Compensated absences for governmental activities have typically been liquidated in the General Fund.

The legal debt margin of the Town at June 30, 2024 was \$25,458,837.

C. Interfund Balances and Activities

There were no transfers during the year.

D. Fund Balance

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

<b><i>Total fund balance-General Fund</i></b>	<b>\$ 2,308,119</b>
Less:	
Stabilization by State Statute	299,895
Streets - Powell Bill	110,439
Public Safety	11,487
Committed for Capital Projects	616,389
Appropriated Fund Balance in 2025 Budget	-
<b>Remaining Fund Balance</b>	<b>\$ 1,269,909</b>

NOTE 5: JOINTLY GOVERNED ORGANIZATION

The Town, along with several other counties and municipalities participate in the Lumber River Council of Governments (COG). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town paid \$575 to the Council during the fiscal year ended June 30, 2024.

NOTE 6: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

NOTE 7: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 31, 2024 the date which the financial statements were available for issue.

## Required Supplementary Financial Data

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The section contains additional information required by the generally accepted accounting principles.

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Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System

Schedule of Contributions to Local Government Employees' Retirement System

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance



Town of White Lake, North Carolina  
Schedule of Proportionate Share of Net Pension Liability (Asset)  
Required Supplementary Information  
Last Ten Fiscal Years \*

	Local Government Employees' Retirement System									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset) (%)	0.01202%	0.01191%	0.01145%	0.01027%	0.01213%	0.01279%	0.01297%	0.00874%	0.01149%	0.01070%
Town's proportion of the net pension liability (asset) (\$)	\$ 795,896	\$ 671,894	\$ 175,597	\$ 366,991	\$ 331,261	\$ 303,423	\$ 198,147	\$ 185,493	\$ 51,567	\$ (63,104)
Town's covered-employee payroll	\$ 657,709	\$ 890,864	\$ 906,446	\$ 881,046	\$ 870,366	\$ 817,277	\$ 799,311	\$ 677,602	\$ 662,009	\$ 640,075
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	121.01%	75.42%	19.37%	41.65%	38.06%	37.13%	24.79%	27.37%	7.79%	-9.86%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

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

Town of White Lake, North Carolina  
Schedule of Contributions  
Required Supplementary Information  
Last Ten Fiscal Years

Local Government Employees' Retirement System										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 154,094	\$ 79,678	\$ 103,915	\$ 94,781	\$ 78,521	\$ 70,318	\$ 64,113	\$ 60,792	\$ 47,453	\$ 48,272
Contributions in relation to the contractually required contribution	\$ 154,094	\$ 79,678	\$ 103,915	\$ 94,781	\$ 78,521	\$ 70,318	\$ 64,113	\$ 60,792	\$ 47,453	\$ 48,272
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 1,160,781	\$ 657,709	\$ 890,864	\$ 906,446	\$ 881,046	\$ 870,366	\$ 817,277	\$ 799,311	\$ 677,602	\$ 662,009
Contributions as a percentage of covered-employee payroll	13.28%	12.11%	11.66%	10.46%	8.91%	8.08%	7.84%	7.61%	7.00%	7.29%

Town of White Lake, North Carolina  
Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance  
June 30, 2024

	2024	2023	2022	2021	2020
Beginning balance	\$ 217,333	\$ 267,249	\$ 238,101	\$ 175,900	\$ 133,122
Service Cost	11,253	14,984	14,594	7,608	9,190
Interest on the total pension liability	9,367	6,013	4,595	5,734	4,846
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	57,183	(26,447)	17,710	(32,478)	21,412
Changes of assumptions or other inputs	7,208	(44,466)	(7,751)	81,337	7,330
Benefit payments	-	-	-	-	-
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 302,344</u>	<u>\$ 217,333</u>	<u>\$ 267,249</u>	<u>\$ 238,101</u>	<u>\$ 175,900</u>

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

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

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	2024	2023	2022	2021	2020
Total pension liability	\$ 302,344	\$ 217,333	\$ 267,249	\$ 238,101	\$ 238,101
Covered payroll	374,661	333,785	330,125	303,842	296,714
Total pension liability as a percentage of covered payroll	80.70%	65.11%	80.95%	78.36%	80.25%

Notes to the schedules:

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

## Individual Fund Statements and Schedules

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

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes		\$ 867,668	
Penalties and interest		2,937	
Total	\$ 840,379	\$ 870,605	\$ 30,226
Other taxes and licenses:			
Vehicle tags		13,460	
Total	10,000	13,460	3,460
Unrestricted intergovernmental:			
Local option sales taxes		370,172	
Utility sales tax		103,874	
Telecommunications sales tax		3,249	
Video franchise tax		20,320	
Beer and wine tax		4,041	
Total	518,623	501,656	(16,967)
Restricted intergovernmental:			
Powell Bill Allocation		28,159	
State Grants		121,424	
Fire Department Grant		51,829	
Solid waste disposal tax		647	
Grants		2,681	
Total	183,330	204,740	21,410
Permits and fees:			
Business Registration Fees		165	
Zoning Permits		12,875	
Total	15,605	13,040	(2,565)
Sales and services:			
Court Fees		137	
Administrative Fee		306,818	
Building Rent		200	
Sanitation		375,327	
Water Management Fee		67,184	
Fire Protection		29,489	
Post Office Sales		32,085	
Total	829,645	811,240	(18,405)

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

	Budget	Actual	Variance Positive (Negative)
Other Revenues:			
Investment earnings		112,242	
Sales of Property		10,256	
Insurance Proceeds		6,823	
Miscellaneous:		4,698	
Total Other Revenues	<u>133,916</u>	<u>134,019</u>	<u>103</u>
Total Revenues	<u>2,531,498</u>	<u>2,548,760</u>	<u>17,262</u>
<b>Expenditures</b>			
General Government:			
Governing Body			
Salaries		29,400	
Benefits		2,314	
Capital Outlay		-	
Other Operating Expenses		16,908	
Total	<u>54,382</u>	<u>48,622</u>	<u>5,760</u>
Administration			
Salaries		352,894	
Benefits		136,302	
Other Operating Expenses		183,463	
Capital Outlay		92,129	
Total	<u>792,151</u>	<u>764,788</u>	<u>27,363</u>
Post Office			
Salaries		10,510	
Benefits		39	
Stock Purchases		5,459	
Other Operating Supplies		4,319	
Capital Outlay		-	
Total	<u>24,363</u>	<u>20,327</u>	<u>4,036</u>
Zoning			
Contract Services		82,500	
Other Operating Expenses		3,058	
Total	<u>88,561</u>	<u>85,558</u>	<u>3,003</u>
ARPA Replacement Funds	<u>(207,329)</u>	<u>(207,329)</u>	<u>-</u>
Total General Government	<u>752,128</u>	<u>711,966</u>	<u>40,162</u>

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

	Budget	Actual	Variance Positive (Negative)
Public safety:			
Police:			
Salaries		393,699	
Benefits		172,349	
Other Operating Expenses		112,194	
Capital Outlay		2,268	
Total	<u>761,914</u>	<u>680,510</u>	<u>81,404</u>
Fire:			
Salaries		92,465	
Benefits		42,398	
Other Operating Expenses		187,291	
Capital Outlay - Equipment		66,444	
Total	<u>403,288</u>	<u>388,598</u>	<u>14,690</u>
ARPA Replacement Funds	<u>(37,749)</u>	<u>(37,749)</u>	
Total Public Safety	<u>1,127,453</u>	<u>1,031,359</u>	<u>96,094</u>
Transportation:			
Streets and Highways:			
Salaries		2,167	
Benefits		239	
Other Operating Expenses		78,694	
Capital Outlay		97,767	
Total	<u>189,911</u>	<u>178,867</u>	<u>11,044</u>
Streets - Powell Bill			
Other Operating Expenses		49,578	
Capital Outlay		-	
Total	<u>56,750</u>	<u>49,578</u>	<u>7,172</u>
Total Transportation	<u>246,661</u>	<u>228,445</u>	<u>18,216</u>
Environmental protection:			
Solid Waste			
Salaries		5,057	
Benefits		1,887	
Other Operating Expenses		2,297	
Contracted Services		257,389	
Capital Outlay		-	
Total Solid Waste	<u>312,477</u>	<u>266,630</u>	<u>45,847</u>



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

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Mosquito/Aquatic Control:			
Other Operating Expenses		31,276	
Capital Outlay		-	
Total Mosquito/Hydrilla Control	<u>46,699</u>	<u>31,276</u>	<u>15,423</u>
Total Environmental Protection	<u>359,176</u>	<u>297,906</u>	<u>61,270</u>
Debt service:			
Principal retirement		62,687	
Interest and fees		2,785	
Total Debt Service	<u>66,962</u>	<u>65,472</u>	<u>1,490</u>
Total Expenditures	<u>2,552,380</u>	<u>2,335,148</u>	<u>217,232</u>
Revenues over (under) expenditures	<u>(20,882)</u>	<u>213,612</u>	<u>234,494</u>
Other Financing Sources (Uses):			
Fund Balance Appropriated	99,124	-	(99,124)
Increase in Designated Fund Balance	<u>(78,242)</u>	<u>-</u>	<u>78,242</u>
Net Change in Fund Balance	<u>\$ -</u>	213,612	<u>\$ 213,612</u>
Fund Balances, beginning		<u>2,094,507</u>	
Fund Balances, ending		<u>\$ 2,308,119</u>	

Town of White Lake, North Carolina  
**Lake Water Restoration Capital Project**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
For the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Positive (Negative)
<b>Revenues:</b>					
Service Cost	\$ 791,724	\$ 746,389	\$ -	\$ 746,389	\$
Grant	-	125,000	-	125,000	
Donations	-	30,000	-	30,000	
Total	<u>791,724</u>	<u>901,389</u>	<u>-</u>	<u>901,389</u>	<u>109,665</u>
<b>Expenditures:</b>					
Contract Services		738,368	-	738,368	
Construction		20,091	-	20,091	
Total Expenditures	<u>791,724</u>	<u>758,459</u>	<u>-</u>	<u>758,459</u>	<u>33,265</u>
Revenues Over(Under) Expenditures	<u>\$ -</u>	<u>\$ 142,930</u>	-	<u>\$ 142,930</u>	<u>\$ 142,930</u>
<b>Fund Balance</b>					
Fund Balances, beginning			<u>142,930</u>		
Fund Balances, ending			<u>\$ 142,930</u>		

Town of White Lake, North Carolina  
**American Relief Plan Project Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance-Budget and Actual**  
From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Positive (Negative)</u>
Revenues:					
Restricted Intergovernmental					
Federal Grant	\$ 245,078	\$ -	\$ 245,078	\$ 245,078	\$ -
Total Revenue	<u>245,078</u>	<u>-</u>	<u>245,078</u>	<u>245,078</u>	<u>-</u>
Expenditures:					
Salary and Benefits					
General Government		-	207,329	207,329	
Public Safety		-	37,749	37,749	
Total Expenditures	<u>245,078</u>	<u>-</u>	<u>245,078</u>	<u>245,078</u>	<u>-</u>
Revenues and Other Sources Over Other Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance					
Fund Balances, beginning			-		
Fund Balances, ending			<u>\$ -</u>		

Town of White Lake, North Carolina  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services:			
Water Charges	\$	\$ 702,428	\$
Sewer Charges		1,096,682	
Late Fees		158,476	
Miscellaneous		8,763	
Total	<u>1,966,825</u>	<u>1,966,349</u>	<u>(476)</u>
Nonoperating Revenues			
Proceeds from Sale of Assets		2,350	
Interest Earned on Investment		216,818	
Total	<u>198,803</u>	<u>219,168</u>	<u>20,365</u>
Total revenues	<u>2,165,628</u>	<u>2,185,517</u>	<u>19,889</u>
<b>Expenditures:</b>			
Water:			
Salaries		170,651	
Employee Benefits		74,677	
Other Operating Expenses		247,517	
Repairs		96,362	
Total Water	<u>673,157</u>	<u>589,207</u>	<u>83,950</u>
Wastewater:			
Salaries		181,833	
Employee Benefits		79,169	
Other Operating Expenses		279,899	
Repairs		37,664	
Total Sewer	<u>649,405</u>	<u>578,565</u>	<u>70,840</u>
Total General Expenses	<u>1,322,562</u>	<u>1,167,772</u>	<u>154,790</u>

Town of White Lake, North Carolina  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt service:			
Interest and fees		84,199	
Principal retirement		304,887	
Total debt service	<u>431,090</u>	<u>389,086</u>	<u>42,004</u>
Capital outlay:			
Water		77,209	
Wastewater		106,406	
Total capital outlay	<u>191,152</u>	<u>183,615</u>	<u>7,537</u>
Total expenditures	<u>1,944,804</u>	<u>1,740,473</u>	<u>204,331</u>
Capital Contributions	-	-	-
Other financing sources (uses):			
Budgeted Increase to Designated Fund Balance	(220,824)	-	220,824
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	<u>(220,824)</u>	<u>-</u>	<u>220,824</u>
Revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>445,044</u>	\$ <u>445,044</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over expenditures		\$ <u>445,044</u>	
Reconciling items:			
Principal retirement		304,887	
Income received in Capital Project Fund		135,060	
Operating Expenses in Capital Projects		(135,060)	
Capital outlay		183,615	
Increase(Decrease) in Inventory		(2,215)	
Increase/(Decrease) in deferred outflows of resources-pensions		12,433	
(Increase)Decrease in accrued vacation		(8,045)	
(Increase)/Decrease in net pension liability		(38,683)	
(Increase)/Decrease in deferred inflows of resources-pensions		1,232	
Loss on disposal of fixed assets		(31,134)	
Depreciation		(260,811)	
Total reconciling items		<u>161,279</u>	
Change in Net Position		\$ <u>606,323</u>	

Town of White Lake, North Carolina  
**WAIA Grant Project**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual</u>	<u>Project Totals</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
Grant Revenue	\$ 240,500	\$ -	\$ 116,060	\$ 116,060	\$ 124,440
Interest Earned	-	-	-	-	-
Total	<u>240,500</u>	<u>-</u>	<u>116,060</u>	<u>116,060</u>	<u>(124,440)</u>
<b>Expenditures:</b>					
Construction Project					
Operating Expenses			116,060	116,060	
Construction Cost			-	-	
Total Expenditures	<u>240,500</u>	<u>-</u>	<u>116,060</u>	<u>116,060</u>	<u>124,440</u>
<b>Other Financing Sources (Uses)</b>					
From Water Fund	-	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Town of White Lake, North Carolina  
**WWMRF Grant Project**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual</u>	<u>Project Totals</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
Grant Revenue	\$ 50,000	\$ 31,000	\$ 19,000	\$ 50,000	\$ -
Interest Earned	-	-	-	-	-
Total	<u>50,000</u>	<u>31,000</u>	<u>19,000</u>	<u>50,000</u>	<u>-</u>
<b>Expenditures:</b>					
Construction Project					
Operating Expenses		31,000	19,000	50,000	
Construction Cost		-	-	-	
Total Expenditures	<u>50,000</u>	<u>31,000</u>	<u>19,000</u>	<u>50,000</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
From Water Fund	-	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over(Under)					
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Town of White Lake, North Carolina  
**Sewer Improvements**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Year	Actual	Project Totals	Variance Positive (Negative)
<b>Revenues:</b>					
Grant Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Sewer Extension					
Phase I					
Construction	2,037,546	1,971,783	-	1,971,783	65,763
Phase II					
Construction	2,997,358	2,706,250	-	2,706,250	291,108
Total Expenditures	<u>5,034,904</u>	<u>4,678,033</u>	<u>-</u>	<u>4,678,033</u>	<u>356,871</u>
<b>Other Financing Sources (Uses)</b>					
State Reserve Loan Proceeds	2,037,546	2,134,924	-	2,134,924	97,378
State Reserve Loan Proceeds	2,997,358	2,421,625	252,391	2,674,016	(323,342)
Total Transfers	<u>5,034,904</u>	<u>4,556,549</u>	<u>252,391</u>	<u>4,808,940</u>	<u>(225,964)</u>
Revenues Over(Under)					
Expenditures	<u>\$ -</u>	<u>\$ (121,484)</u>	<u>\$ 252,391</u>	<u>\$ 130,907</u>	<u>\$ 130,907</u>



## OTHER SCHEDULES

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This section includes additional information on property taxes.

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

Town of White Lake, North Carolina  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
June 30, 2024

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2023</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2022 - 2024	\$	\$ 863,309	\$ 842,772	\$ 20,537
2022 - 2023	20,673	-	9,533	11,140
2021 - 2022	11,089	-	4,304	6,785
2021 - 2022	7,601	-	4,040	3,561
2020 - 2021	5,593	-	2,186	3,407
2019 - 2020	3,551	-	1,135	2,416
2018 - 2019	3,054	-	1,085	1,969
2017 - 2018	2,866	-	1,097	1,769
2016 - 2017	2,346	-	992	1,354
2015 - 2016	3,433	-	1,540	1,893
2014 - 2015	3,118	-	3,118	-
	<u>\$ 63,324</u>	<u>\$ 863,309</u>	<u>\$ 871,802</u>	<u>\$ 54,831</u>
			Less Allowance for Doubtful Accounts	(15,000)
				<u>\$ 39,831</u>
<u>Reconciliation with revenues:</u>				
	Ad valorem taxes - General Fund			\$ 870,605
	Reconciling items:			
	Interest collected			(2,937)
	Releases			4,134
	Subtotal			<u>1,197</u>
	Total collections and credits			<u>\$ 871,802</u>

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

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 318,412,963	\$ 0.27	\$ 859,715	\$ 816,008	\$ 43,707
Penalties			2,118	2,118	-
Total	<u>318,412,963</u>		<u>861,833</u>	<u>818,126</u>	<u>43,707</u>
Discoveries:					
Current year taxes	<u>1,378,889</u>	0.27	<u>3,723</u>	<u>3,723</u>	<u>-</u>
Total	<u>1,378,889</u>		<u>3,723</u>	<u>3,723</u>	<u>-</u>
Releases	<u>(832,222)</u>	0.27	<u>(2,247)</u>	<u>(2,247)</u>	<u>-</u>
Total property valuation	<u>\$ 318,959,630</u>				
Net levy			863,309	819,602	43,707
Uncollected taxes at June 30, 2024			<u>20,537</u>	<u>20,537</u>	<u>-</u>
Current year's taxes collected			<u>\$ 842,772</u>	<u>\$ 799,065</u>	<u>\$ 43,707</u>
Current levy collection percentage			<u>97.56%</u>	<u>97.43%</u>	<u>100.00%</u>

## COMPLIANCE SECTION



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R. Bryon Scott, CPA  
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Alan W. Thompson, CPA

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**Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit  
Of Financial Statements Performed In Accordance With *Government Auditing Standards***

**Independent Auditor's Report**

To the Honorable Mayor and  
Members of the Town Council  
Town of White Lake, 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, business-type activities, each major fund and the aggregate remaining fund information of the Town of White Lake, North Carolina, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprises the Town of White Lake's basic financial statements, and have issued our report thereon dated October 31, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of White Lake's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of White Lake's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency, 2024-001.

**Report on Compliance and Other Matters**

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

**Town of White Lake's Response to Finding**

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

**Purpose of this Report**

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

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

Elizabethtown, North Carolina

October 31, 2024

Town of White Lake, North Carolina  
Schedule of Findings and Responses  
For the Fiscal Year Ended June 30, 2024

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**Section I. Summary of Auditor's Results**

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Financial Statements

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

Internal control over financial reporting:

• Material weakness(es) identified?                          yes      X  none reported

• Significant Deficiency(s) identified?                      X  yes          none reported

Noncompliance material to financial statements noted?                          yes      X  no

Town of White Lake, North Carolina  
Schedule of Findings and Responses  
For the Fiscal Year Ended June 30, 2024

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**Section II – Financial Statement Findings**

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SIGNIFICANT DEFICIENCY

2024 – 001 Segregation of Duties

Criteria: The assignment of responsibilities should be segregated so that one person is not responsible for the authorization and recording of a transaction and the custody of the related asset. There needs to be a reconciliation or control activity to provide reasonable assurance that transactions are handled appropriately.

Condition: Key duties and functions are not segregated amount Town personnel. This is especially a concern in cash management, accounts receivable, purchasing, and payroll functions in all departments.

Effect: Transactions could be mishandled, due to errors or fraud that could lead to loss of assets or the reporting of misleading financial information.

Cause: There are a limited number of personnel for certain functions and lack of board oversight. Staff turnover contributed to this finding.

Recommendation: The duties should be separated as much as possible, by possibly training and utilizing non-financial personnel and utilizing alternative controls. In addition, the recent hiring of the finance officer should allow the Town to create new policies. The governing board should provide some of these controls.

Views of responsible officials and planned corrective actions: The Town agrees with this finding and will adhere to the correction action plan on page 62 in this audit report.





**TOWN OF WHITE LAKE**  
**1879 WHITE LAKE DR. PMB 7250**  
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Corrective Action Plan  
For the Fiscal Year Ended June 30, 2024

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**Section II – Financial Statement Findings**

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SIGNIFICANT DEFICIENCIES

2024 – 001 Segregation of Duties

Name of contact person: H. Goldston Womble, Jr, Mayor

Corrective Action: The duties will be separated as much as possible, by possibly training and utilizing non-financial personnel and utilizing alternative controls. The recent filing of the finance position should allow the Town to create new policies that will enhance controls.

Proposed Completion Date: The Board will implement the above procedure immediately.