

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2025**

**JBW**

**J. B. WATSON & Co., P.L.L.C.**  
Certified Public Accountants

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**LOCAL GOVERNMENT OFFICIALS**  
**June 30, 2025**

**Town Council Members**

David Cohn – Mayor

Dennis Gay – Mayor Pro Tem

Clarence Alsobrooks

Tom Amburgey

Todd Barber

Crystal Buchaluk

**Administrative and Financial Staff**

Michael McLaurin – Town Manager

Adam McLamb – Assistant Town Manager

Alicia Massey, CLGFO, CTC – Finance Director/  
Tax Collector

Alicia Gaddy, CLGFO – Assistant Finance Director

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the Town Council  
Town of Indian Trail, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Indian Trail, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Town of Indian Trail, North Carolina's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Indian Trail, North Carolina, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Town of Indian Trail Alcoholic Beverage Control Board, which represent 100 percent of the assets, net position, and revenues of the discretely presented component units as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Town of Indian Trail Alcoholic Beverage Control Board, is based solely on the report of the other auditors.

#### *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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Indian Trail, North Carolina, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Town of Indian Trail Alcoholic Beverage Control Board were not audited in accordance with *Government Auditing Standards*.

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

Management is responsible for the preparation and fair presentation of the 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 raise substantial doubt about Town of Indian Trail, North Carolina'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.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Indian Trail, North Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Indian Trail, North Carolina's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Local Governmental Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors 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 Town of Indian Trail, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, as well as the accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of Town of Indian Trail, North Carolina'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 solely 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 Indian Trail, North Carolina'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 Indian Trail, North Carolina's internal control over financial reporting and compliance.



Wadesboro, North Carolina  
December 1, 2025

## Management's Discussion and Analysis

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

### Financial Highlights

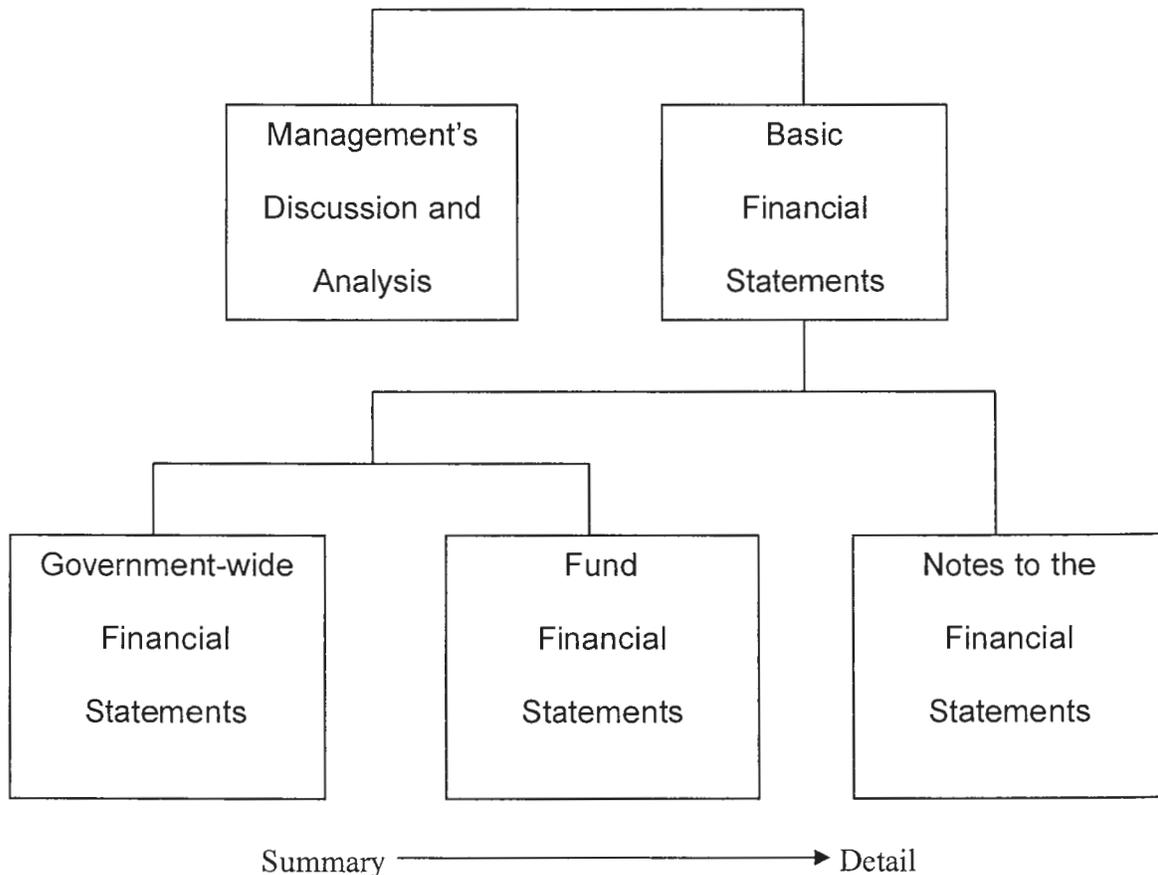
- The assets and deferred outflows of resources of the Town of Indian Trail exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$131,390,354 (*net position*).
- The government's total net position increased by \$9,483,974, primarily due to acceptance of donated streets of \$4,197,917, state Powell Bill funds of \$1,308,517, and sales tax and intergovernmental revenues totaling \$12,513,399.
- As of the close of the current fiscal year, the Town of Indian Trail's governmental funds reported combined ending fund balances of \$58,425,414, with a net decrease of \$216,743 in fund balance (as restated). Approximately 60% of this total amount, or \$36,037,052, is non-spendable, restricted, committed or assigned, including \$3,055,644 of bond funds.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,388,362 or 94% of total General Fund expenditures for the fiscal year.
- The Indian Trail ABC Board is considered a discretely presented component unit of the Town. The Town Council exercises control over the Board by appointing its members, and the ABC Board is required to distribute its net profits to the Town.
- The Town of Indian Trail currently has four outstanding bond issuances. \$3,000,000 of General Obligation Bonds were sold to SunTrust Bank on December 6, 2012. \$8,000,000 of General Obligation Bonds were sold to Stifel, Nicolaus & Company, Inc. on May 1, 2013. \$2,500,000 of General Obligation Bonds were sold to Zions Bank on October 16, 2019. \$6,000,000 in General Obligation Bonds were sold to Robert W. Baird Company, Inc. on September 21, 2021. The Town of Indian Trail maintains an Aa1 bond rating from Moody's Investors service and AAA rating from Standard and Poor's Financial Services.
- The Town of Indian Trail's total debt decreased by \$1,492,000 (10.3%) during the current fiscal year. Current debt is for the Municipal Complex and the four outstanding bond issuances.
- In September 2021, the Town of Indian Trail drew down \$6,000,000 from an authorized 2012 Streets Bond Resolution. These bond proceeds will be used to meet our NCDOT commitment for our Old Monroe Road upgrade (\$1,000,000 remaining) and also for various street/road projects. The scheduled payback is fifteen years (with a net interest rate of 1.506%).
- The Town of Indian Trail also continued use of a Stormwater proprietary fund during the current fiscal year.

## Overview of the Financial Statements

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

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes is **required supplementary information**. This section contains funding information about the Town's pension plans. Also, after the notes, **supplementary information** is provided to show detail 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 three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the Stormwater services offered by the Town of Indian Trail. The final category is the component unit. Although legally separate from the Town, the ABC Board is important to the Town because the Town exercises control over the Board by appointing its members and the Board is required to distribute its profits to the Town. See Note 1 in the notes to the financial statements for more details regarding the ABC Board and its relationship to the Town.

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

### **Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Indian Trail, like all other governmental entities in North Carolina, uses fund

Management's Discussion and Analysis  
Town of Indian Trail

accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Indian Trail 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 governmental 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 Indian Trail 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 Funds** – Town of Indian Trail uses *Enterprise Funds* to report the same functions presented as business-type activities in the government-wide financial statements. Town of Indian Trail uses enterprise funds to account for its Stormwater activity and any related capital project fund(s). These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 11 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 Indian Trail's progress in funding its obligation to provide pension benefits to its

Management's Discussion and Analysis  
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employees. Required supplementary information can be found beginning on page 39 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 INDIAN TRAIL  
NET POSITION  
FIGURE 2*

	Governmental Activities		Business-type Activities		Totals	
	2025	2024 (Restated)	2025	2024	2025	2024 (Restated)
<b>Assets</b>						
Current and other assets	\$ 60,692,291	\$ 66,154,461	\$ 4,865,569	\$ 4,682,138	\$ 65,557,860	\$ 70,836,599
Capital assets, net	<u>76,622,602</u>	<u>70,249,389</u>	<u>7,411,122</u>	<u>5,561,036</u>	<u>84,033,724</u>	<u>75,810,425</u>
Total Assets	<u>137,314,893</u>	<u>136,403,850</u>	<u>12,276,691</u>	<u>10,243,174</u>	<u>149,591,584</u>	<u>146,647,024</u>
Deferred Outflows of Resources	<u>1,256,924</u>	<u>1,546,109</u>	-	-	<u>1,256,924</u>	<u>1,546,109</u>
<b>Liabilities</b>						
Current and other liabilities	1,975,085	7,329,667	229,705	78,273	2,204,790	7,407,940
Long-term liabilities:						
Due within one year	1,932,587	1,969,640	-	-	1,932,587	1,969,640
Due in more than one year	<u>14,950,707</u>	<u>16,622,925</u>	-	-	<u>14,950,707</u>	<u>16,622,925</u>
Total Liabilities	<u>18,858,379</u>	<u>25,922,232</u>	<u>229,705</u>	<u>78,273</u>	<u>19,088,084</u>	<u>26,000,505</u>
Deferred Inflows of Resources	<u>370,070</u>	<u>286,248</u>	-	-	<u>370,070</u>	<u>286,248</u>
<b>Net Position</b>						
Net investment in capital assets	65,955,983	61,471,896	7,411,122	5,561,036	73,367,105	67,032,932
Restricted	17,889,105	26,731,103	-	-	17,889,105	26,731,103
Unrestricted	<u>35,498,280</u>	<u>23,538,480</u>	<u>4,635,864</u>	<u>4,603,865</u>	<u>40,134,144</u>	<u>28,142,345</u>
Total Net Position	<u>\$ 119,343,368</u>	<u>\$ 111,741,479</u>	<u>\$ 12,046,986</u>	<u>\$ 10,164,901</u>	<u>\$ 131,390,354</u>	<u>\$ 121,906,380</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 the Town of Indian Trail exceeded liabilities and deferred inflows by \$131,390,354 as of June 30, 2025. The Town's net position increased by \$9,483,974 for the fiscal year ended June 30, 2025. However, \$73,367,105 (55.8%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Indian Trail uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Indian Trail's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided

Management's Discussion and Analysis  
Town of Indian Trail

by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Indian Trail's net position \$17,889,105 (13.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$40,134,144 (30.6%) is unrestricted.

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

- Continued diligence in the collection of property taxes. The tax collection percentage was 99.78% as of June 30, 2025, and 99.88% as of June 30, 2024. The statewide average as of June 30, 2025, was 99.50%.
- Increase in operating and capital grants and contributions of \$2,059,724 in relation to FY 2024.
- Accounts payable decreased by \$930,748. Liabilities payable from restricted assets decreased by \$3,882,502.

(Continued on next page)

Management's Discussion and Analysis  
Town of Indian Trail

*TOWN OF INDIAN TRAIL  
CHANGES IN NET POSITION  
FIGURE 3*

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues	(Restated)				(Restated)	
Program Revenues:						
Charges for services	\$ 573,009	\$ 608,201	\$ 1,635,498	\$ 1,627,537	\$ 2,208,507	\$ 2,235,738
Operating grants and contributions	4,849,181	6,369,857	-	-	4,849,181	6,369,857
Capital grants and contributions	5,829,849	2,249,449	-	-	5,829,849	2,249,449
General Revenues:						
Property taxes	12,035,230	11,617,404	-	-	12,035,230	11,617,404
Other taxes and licenses	7,281,432	6,940,805	-	-	7,281,432	6,940,805
Grants and contributions not restricted to specific programs	275,200	278,050	-	-	275,200	278,050
Investment earnings	2,744,696	3,156,453	2,864	3,128	2,747,560	3,159,581
Other	133,583	75,270	45,180	50,000	178,763	125,270
Total Revenues	<u>33,722,180</u>	<u>31,295,489</u>	<u>1,683,542</u>	<u>1,680,665</u>	<u>35,405,722</u>	<u>32,976,154</u>
Expenses						
General government	4,737,863	4,271,164	-	-	4,737,863	4,271,164
Public safety	4,806,493	4,262,436	-	-	4,806,493	4,262,436
Transportation	8,650,874	6,639,761	-	-	8,650,874	6,639,761
Economic and physical development	820,329	855,693	-	-	820,329	855,693
Environmental protection	3,336,071	3,050,835	-	-	3,336,071	3,050,835
Culture and recreation	2,068,533	1,918,480	-	-	2,068,533	1,918,480
Interest on long-term debt	324,224	365,332	-	-	324,224	365,332
Stormwater	-	-	1,177,361	615,828	1,177,361	615,828
Total Expenses	<u>24,744,387</u>	<u>21,363,701</u>	<u>1,177,361</u>	<u>615,828</u>	<u>25,921,748</u>	<u>21,979,529</u>
Increase in Net Position before Transfers	8,977,793	9,931,788	506,181	1,064,837	9,483,974	10,996,625
Transfers	(1,375,904)	(867,746)	1,375,904	867,746	-	-
Increase in Net Position	7,601,889	9,064,042	1,882,085	1,932,583	9,483,974	10,996,625
Net Position, July 1	<u>111,741,479</u>	<u>102,677,437</u>	<u>10,164,901</u>	<u>8,232,318</u>	<u>121,906,380</u>	<u>110,909,755</u>
Net Position, June 30	<u>\$119,343,368</u>	<u>\$111,741,479</u>	<u>\$ 12,046,986</u>	<u>\$ 10,164,901</u>	<u>\$131,390,354</u>	<u>\$121,906,380</u>

**Governmental activities:** Governmental activities increased the Town's net position by \$7,601,889, thereby accounting for 80% of the total growth in the net position of the Town of Indian Trail. The key elements of this increase are mainly due to strict adherence to respective budgeted levels, operating and capital grants, and contributions for streets and sidewalks.

**Business-type activities:** Business-type activities increased the Town of Indian Trail's net position by \$1,882,085, accounting for 20% of the total growth in the government's net position.

### Financial Analysis of the Town's Funds

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

**Governmental Funds:** The focus of the Town of Indian Trail'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 Indian Trail's financing requirements.

The General Fund is the chief operating fund of the Town of Indian Trail. At the end of the current fiscal year, Town of Indian Trail's fund balance available in the General Fund was \$23,949,624, while total fund balance reached \$26,948,244. The Governing Body of Town of Indian Trail has determined that the Town should maintain an available fund balance of 30% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 100% of general fund expenditures (excluding transfers), and total fund balance represents 113% of the same amount. The Town Council from time to time may utilize fund balances that will reduce fund balance below the requirement indicated but in no case below 15% except in an extreme emergency for the purpose of providing for:

- (1) A revenue shortfall
- (2) Dealing with a natural disaster or other event that threatens the health or safety of the residents
- (3) Taking advantage of any unforeseen significant opportunity that may be otherwise lost to the community
- (4) To protect the long-term fiscal security of the Town of Indian Trail
- (5) For major Town projects that are to the overall benefit of the Town after proper due diligence and an opportunity for public comments
- (6) Funds needed as a part of a matching grant for a major project

At June 30, 2025, the governmental funds of the Town of Indian Trail reported a combined fund balance of \$58,425,414 with a net decrease in fund balance of \$216,743. The primary reason for this decrease is continued investment into capital infrastructure.

**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 adopted budget for fiscal year ended June 30, 2025, due to additional revenues for local option sales tax, franchise sales tax, and ad-valorem tax. Expenditures were less than the adopted budget due to the Town's conservative spending practices.

Management’s Discussion and Analysis  
Town of Indian Trail

**Proprietary Funds:** The Town of Indian Trail’s proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Stormwater Fund at the end of the fiscal year amounted to \$4,635,864. The positive change in net position in the Stormwater Fund was due largely to a few major projects being supplemented with ARPA revenue replacement funds, thus reducing normal operation expenses. In addition, a major project was completed in early FY 2025 as other projects are underway and are expected to be completed FY 2026.

**Capital Asset and Debt Administration**

**Capital assets:** The Town of Indian Trail’s investment in capital assets for its governmental and business-type activities as of June 30, 2025, totals \$84,033,724 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year were primarily for construction in progress and transitioning assets from construction in progress into buildings and improvements. Additions to construction in progress and buildings and improvements were \$6,736,253. The Town accepted streets valued at \$4,197,917.

**TOWN OF INDIAN TRAIL**  
**CAPITAL ASSETS (net of depreciation)**  
**FIGURE 4**

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 5,844,222	\$ 5,837,872	\$ -	\$ -	\$ 5,844,222	\$ 5,837,872
Construction in progress	13,602,647	8,786,233	1,602,777	3,346,284	15,205,424	12,132,517
Deposits	1,534,240	1,534,240	-	-	1,534,240	1,534,240
Buildings and improvements	14,047,818	15,246,484	5,131,820	1,866,567	19,179,638	17,113,051
Infrastructure	37,612,141	34,751,194	-	-	37,612,141	34,751,194
Computer equipment	7,584	16,808	-	-	7,584	16,808
Computer software	88,209	31,359	-	-	88,209	31,359
Equipment	730,290	666,753	484,142	197,203	1,214,432	863,956
Furniture	-	-	-	-	-	-
Vehicles	3,155,451	3,378,446	192,383	150,982	3,347,834	3,529,428
	<u>\$ 76,622,602</u>	<u>\$ 70,249,389</u>	<u>\$ 7,411,122</u>	<u>\$ 5,561,036</u>	<u>\$ 84,033,724</u>	<u>\$ 75,810,425</u>

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

Management’s Discussion and Analysis  
Town of Indian Trail

**Long-term Debt:** As of June 30, 2025, the Town of Indian Trail had total general obligation bond debt outstanding of \$11,159,000, which is backed 100% by the full faith and credit of the Town. The remainder of the Town’s debt represents installment purchases of \$1,897,000.

**TOWN OF INDIAN TRAIL**  
**Outstanding Debt**  
*Figure 5*

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Installment purchases	\$ 1,897,000	\$ 2,214,000	\$ -	\$ -	\$ 1,897,000	\$ 2,214,000
General obligation bonds	<u>11,159,000</u>	<u>12,334,000</u>	<u>-</u>	<u>-</u>	<u>11,159,000</u>	<u>12,334,000</u>
Total	<u>\$ 13,056,000</u>	<u>\$ 14,548,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,056,000</u>	<u>\$ 14,548,000</u>

**Town of Indian Trail’s Outstanding Debt**

The Town of Indian Trail’s total debt decreased by \$1,492,000 (10.3%) during the past fiscal year due to scheduled principal payments on the general obligation bond issuances and installment purchases.

As mentioned in the financial highlights section of this document, the Town of Indian Trail maintains an Aa1 bond rating from Moody’s Investors Service and AAA rating from Standard and Poor’s Financial Services. These bond ratings are a clear indication of the sound financial condition of Town of Indian Trail and 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% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Town of Indian Trail is \$504,949,474.

Additional information regarding the Town of Indian Trail’s long-term debt can be found in Note 3 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.

- The Town's population continues to increase. The latest population from the July 2023 census is 42,854. Population is estimated to be approximately 44,556 in 2025.
- The Town of Indian Trail's non-seasonally unemployment rate as of June 30, 2025, was 3.4% compared to Union County's rate of 3.4% and the State average of 4%.
- Tax revenue allocations to the Debt Service and Capital Reserve Fund will increase to five and one-half cents and can only be utilized for debt service and capital expenditures as specified in the Capital Reserve Fund Ordinance and any subsequent amendments thereto in the current or future fiscal years. The total tax rate will be reduced to \$0.17 per \$100.
- Budgeted expenditures for governmental activities increased overall this year or stayed the same as last year. Continued emphasis was on developing priorities that the Board developed in 2024:
  - Public Safety
  - Transportation
  - Economic Development
  - Town Infrastructure
  - Human Capital

### **Budget Highlights for the Fiscal Year Ending June 30, 2026**

**Governmental Activities:** The 2025-2026 operating budget provides resources to address the Town's daily needs, as well as continuing the Debt Service and Capital Reserve Fund allowing Council to address quality of life, town infrastructure needs, and capital improvement programs. The upcoming fiscal year presents unique budget challenges. Staff are acutely aware of the national economic downturn and the potential impacts of a recession, stagflation, or continued inflation. There is uncertainty regarding federal funds/grants and how that impacts state funding to municipalities. Locally, there is uncertainty regarding sewer availability and the potential impacts to Town growth. It is reasonable to predict some Town revenues will continue to see reductions which have been corroborated by the League of Municipalities and historical trends. However, the revaluation provided an opportunity for the Town to absorb these reductions and provide additional revenues for capital improvement projects. Staff continue to be vigilant with resources and expenditures to ensure preparedness for any potential negative impacts on the operating budget due to factors outside the Town's scope of control.

**Business-type Activities:** At the end of FY 2025 the Town entered into a contract for a stormwater impervious area reassessment. The last professional assessment was completed in 2007 at the inception of the stormwater fee. The goal of the reassessment was to ensure all properties were appropriately assessed, identify new impervious area for commercial and residential properties, and create a new tier structure for residential properties. Effective for FY 2026 the town implemented a new four-tiered fee structure for residential units:

Management's Discussion and Analysis  
Town of Indian Trail

Tier	Residential Rate (annually)
Tier 1: < 3,000 sq ft	\$51
Tier 2: 3,000 – 4,000 sq ft	\$60
Tier 3: 4,000 – 5,000 sq ft	\$63
Tier 4: > 5,000 sq ft	\$66

The commercial rate is based is calculated by the estimated impervious square footage divided by 2,060, rounded to the tenth, and multiplied by \$3.38. The reassessment will provide additional stormwater revenues and allow for more accurate assessment for residential and commercial units.

### **Other Matters**

During the current fiscal year, the Town identified and corrected an error in the prior year's financial statements. The error related to the accounting for prior disbursement of interest earnings on Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) and the effect on earned and unearned revenue in the American Rescue Plan Act Special Revenue Fund. As a result of this correction, beginning net position/fund balance for governmental activities was restated by \$362,267. Additional information regarding this correction is disclosed in Note 7 to the financial statements.

During the current fiscal year, the Town combined two project funds with similar capital improvement purposes into one single fund. As a result, the beginning fund balance of the Indian Trail Road Complete Street Project Fund has been restated to reflect this combination. Additional information regarding this restatement is disclosed in Note 7 to the financial statements.

The Town implemented the provisions of GASB Statement No. 101, *Compensated Absences*, effective for fiscal year ended June 30, 2025. Implementation did not result in an adjustment to beginning net position, fund balance, or previously reported amounts, as the impact of applying the new recognition and measurement criteria was not material to prior periods. Additional information regarding the change in accounting principle is disclosed in Note 8 to the financial statements.

### **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 Finance Director, Alicia Massey, MPA, CLGFO, CTC or Assistant Finance Director, Alicia Gaddy, CLGFO, Town of Indian Trail, P.O. Box 2430, Indian Trail, NC 28079. One can also call (704)-821-5401, visit our website [www.indiantrail.org](http://www.indiantrail.org), or send an email to [amm@indiantrail.org](mailto:amm@indiantrail.org) or [adg@indiantrail.org](mailto:adg@indiantrail.org) for more information.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

**Exhibit 1**

	Primary Government			Town of Indian Trail ABC Board
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 42,852,069	\$ 4,818,319	\$ 47,670,388	\$ 1,275,172
Receivables:				
Taxes receivable	85,849	-	85,849	-
Accounts receivable	10,811	2,891	13,702	-
Due from component unit	68,750	-	68,750	-
Due from other governments	2,819,104	22,940	2,842,044	-
Due from other funds	-	21,419	21,419	-
Inventories	745	-	745	716,619
Prepaid expenses	50,320	-	50,320	22,896
Restricted assets:				
Cash and cash equivalents	14,804,643	-	14,804,643	-
Deposits	-	-	-	17,940
Right to use leased assets, net of amortization	-	-	-	33,186
Capital assets:				
Land and other nondepreciable assets	20,981,109	1,602,777	22,583,886	848,849
Other capital assets (net)	55,641,493	5,808,345	61,449,838	1,706,458
<b>TOTAL ASSETS</b>	<b>137,314,893</b>	<b>12,276,691</b>	<b>149,591,584</b>	<b>4,621,120</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,256,924</b>	<b>-</b>	<b>1,256,924</b>	<b>190,532</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	776,153	229,705	1,005,858	133,734
Accrued interest payable	85,120	-	85,120	-
Due to other funds	21,419	-	21,419	-
Taxes payable	-	-	-	208,734
Due to primary government	-	-	-	68,750
Distributions payable	-	-	-	27,250
Deposits in escrow	952,103	-	952,103	-
Liabilities payable from restricted assets	140,290	-	140,290	-
Long-term liabilities:				
Due within one year	1,932,587	-	1,932,587	67,897
Due in more than one year	14,950,707	-	14,950,707	227,676
<b>TOTAL LIABILITIES</b>	<b>18,858,379</b>	<b>229,705</b>	<b>19,088,084</b>	<b>734,041</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>370,070</b>	<b>-</b>	<b>370,070</b>	<b>890</b>
<b>NET POSITION</b>				
Net investment in capital assets	65,955,983	7,411,122	73,367,105	2,555,307
Restricted for:				
Stabilization by state statute	2,947,555	-	2,947,555	-
Transportation	1,341,262	-	1,341,262	-
Capital projects	13,563,822	-	13,563,822	-
Other purposes	36,466	-	36,466	-
Working capital	-	-	-	282,203
Unrestricted	35,498,280	4,635,864	40,134,144	1,239,211
<b>TOTAL NET POSITION</b>	<b>\$ 119,343,368</b>	<b>\$ 12,046,986</b>	<b>\$ 131,390,354</b>	<b>\$ 4,076,721</b>

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

TOWN OF INDIAN TRAIL, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Town of Indian Trail ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Governmental activities:</b>								
General government	\$ 4,737,863	\$ 1,808	\$ 1,525,930	\$ 14,000	\$ (3,196,125)	\$ -	\$ (3,196,125)	\$ -
Public safety	4,806,493	850	1,986,719	-	(2,818,924)	-	(2,818,924)	-
Transportation	8,650,874	8,700	1,308,517	5,565,849	(1,767,808)	-	(1,767,808)	-
Economic and physical development	820,329	-	-	-	(820,329)	-	(820,329)	-
Environmental protection	3,336,071	200,733	-	-	(3,135,338)	-	(3,135,338)	-
Culture and recreation	2,068,533	360,918	28,015	250,000	(1,429,600)	-	(1,429,600)	-
Interest on long-term debt	324,224	-	-	-	(324,224)	-	(324,224)	-
Total governmental activities	24,744,387	573,009	4,849,181	5,829,849	(13,492,348)	-	(13,492,348)	-
<b>Business-type activities:</b>								
Stormwater Fund	1,177,361	1,635,498	-	-	-	458,137	458,137	-
<b>Component unit:</b>								
ABC Board	9,207,808	9,531,297	-	-	-	-	-	323,489
	<u>\$ 35,129,556</u>	<u>\$ 11,739,804</u>	<u>\$ 4,849,181</u>	<u>\$ 5,829,849</u>	<u>(13,492,348)</u>	<u>458,137</u>	<u>(13,034,211)</u>	<u>323,489</u>
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					12,035,230	-	12,035,230	-
Other taxes and licenses					7,281,432	-	7,281,432	-
Grants and contributions not restricted to specific programs					275,200	-	275,200	-
Investment earnings, unrestricted					2,744,696	2,864	2,747,560	33,992
Miscellaneous, unrestricted					133,583	45,180	178,763	58,941
<b>Total general revenues excluding transfers</b>					22,470,141	48,044	22,518,185	92,933
<b>Transfers</b>					(1,375,904)	1,375,904	-	-
<b>Total general revenues and transfers</b>					21,094,237	1,423,948	22,518,185	92,933
<b>Change in net position</b>					7,601,889	1,882,085	9,483,974	416,422
<b>Net position, beginning, as previously reported</b>					112,103,746	10,164,901	122,268,647	3,660,299
Error correction					(362,267)	-	(362,267)	-
<b>Net position, beginning, as restated</b>					111,741,479	10,164,901	121,906,380	3,660,299
<b>Net position, ending</b>					<u>\$ 119,343,368</u>	<u>\$ 12,046,986</u>	<u>\$ 131,390,354</u>	<u>\$ 4,076,721</u>

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

TOWN OF INDIAN TRAIL, NORTH CAROLINA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2025

Exhibit 3-1

	Major Funds								
	General Fund	Capital Reserve and Debt Service Fund	Bond Capital Project Fund	Chestnut Extension Capital Project Fund	Capital Reserve Fund	ARPA Special Revenue Fund	SCIF Grant for Capital Impr. Special Revenue Fund	Total Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 24,690,173	\$ 7,481,863	\$ -	\$ -	\$ 10,680,033	\$ -	\$ -	\$ -	\$ 42,852,069
Restricted cash and cash equivalents	2,269,708	-	3,124,818	-	-	160,031	8,989,845	260,241	14,804,643
Taxes receivable	66,918	-	-	-	-	-	-	-	66,918
Accounts receivable	10,811	-	-	-	-	-	-	-	10,811
Due from component unit	68,750	-	-	-	-	-	-	-	68,750
Due from other governments	1,635,784	-	-	-	-	-	-	1,183,320	2,819,104
Due from other funds	-	35,059	-	399,211	-	-	-	104,761	539,031
Inventories	745	-	-	-	-	-	-	-	745
Prepaid expenditures	50,320	-	-	-	-	-	-	-	50,320
<b>TOTAL ASSETS</b>	<b>\$ 28,793,209</b>	<b>\$ 7,516,922</b>	<b>\$ 3,124,818</b>	<b>\$ 399,211</b>	<b>\$ 10,680,033</b>	<b>\$ 160,031</b>	<b>\$ 8,989,845</b>	<b>\$ 1,548,322</b>	<b>\$ 61,212,391</b>
<b>LIABILITIES</b>									
Accounts payable and accrued liabilities	\$ 355,053	\$ -	\$ -	\$ 397,912	\$ -	\$ -	\$ -	\$ 23,188	\$ 776,153
Accounts payable from restricted cash	38,144	-	-	-	-	-	-	-	38,144
Due to other funds	141,684	320,073	69,174	-	-	21,419	8,100	-	560,450
Unearned revenues	-	-	-	-	-	102,146	-	-	102,146
Deposits in escrow	952,103	-	-	-	-	-	-	-	952,103
<b>TOTAL LIABILITIES</b>	<b>1,486,984</b>	<b>320,073</b>	<b>69,174</b>	<b>397,912</b>	<b>-</b>	<b>123,565</b>	<b>8,100</b>	<b>23,188</b>	<b>2,428,996</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>357,981</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>357,981</b>
<b>FUND BALANCES</b>									
Nonspendable:									
Inventories	745	-	-	-	-	-	-	-	745
Prepaid expenditures	50,320	-	-	-	-	-	-	-	50,320
Restricted:									
Stabilization by state statute	2,947,555	-	-	-	-	-	-	-	2,947,555
Transportation	1,341,262	-	-	-	-	-	-	-	1,341,262
Capital projects	-	-	3,055,644	1,299	-	-	8,981,745	1,525,134	13,563,822
Other purposes	-	-	-	-	-	36,466	-	-	36,466
Committed:									
Debt service and capital reserve	-	7,196,849	-	-	10,680,033	-	-	-	17,876,882
Economic development	220,000	-	-	-	-	-	-	-	220,000
Unassigned	22,388,362	-	-	-	-	-	-	-	22,388,362
<b>TOTAL FUND BALANCES</b>	<b>26,948,244</b>	<b>7,196,849</b>	<b>3,055,644</b>	<b>1,299</b>	<b>10,680,033</b>	<b>36,466</b>	<b>8,981,745</b>	<b>1,525,134</b>	<b>58,425,414</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 28,793,209</b>	<b>\$ 7,516,922</b>	<b>\$ 3,124,818</b>	<b>\$ 399,211</b>	<b>\$ 10,680,033</b>	<b>\$ 160,031</b>	<b>\$ 8,989,845</b>	<b>\$ 1,548,322</b>	<b>\$ 61,212,391</b>

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE**  
**SHEET TO THE STATEMENT OF NET POSITION**  
**June 30, 2025**

**Exhibit 3-2**

**Fund balances - Total governmental funds (Exhibit 3-1)** \$ 58,425,414

Amounts reported for governmental activities in the statement of net position  
(Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements.	76,622,602
Deferred outflows of resources related to pensions are not reported in the funds.	1,256,924
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.	18,931
Earned revenues considered deferred inflows of resources in fund statements.	143,268
Deferred inflows of resources related to pensions are not reported in the funds.	(155,357)
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the funds.	
General obligation bonds	(11,159,000)
Premiums on bond issuances	(735,437)
Installment purchases	(1,897,000)
Accrued interest payable	(85,120)
Accrued interest payable - arbitrage	(414,684)
Compensated absences	(338,557)
Net pension liability (LGERS)	<u>(2,338,616)</u>

**Net position of governmental activities (Exhibit 1)** \$ 119,343,368

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

TOWN OF INDIAN TRAIL, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2025

Exhibit 4-1

	Major								Total Governmental Funds	Total Governmental Funds
	General	Capital Reserve and Debt Service	Bond Capital Project	Chestnut Extension Capital Project	Capital Reserve	ARPA Special Revenue	SCIF Grant for Capital Impr. Special Revenue	Total Non-major		
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Funds		
<b>REVENUES:</b>										
Ad valorem taxes	\$12,021,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$12,021,652	
Other taxes and licenses	109,001	-	-	-	-	-	-	-	109,001	
Unrestricted intergovernmental	7,413,758	-	-	-	-	-	-	-	7,413,758	
Restricted intergovernmental	1,462,189	-	-	-	-	3,512,649	-	1,433,320	6,408,158	
Permits and fees	175,857	-	-	-	-	-	-	-	175,857	
Sales and services	362,338	-	-	-	-	-	-	-	362,338	
Investment earnings	1,430,193	313,564	137,259	-	371,727	77,510	455,054	10,241	2,795,548	
Miscellaneous	124,999	-	-	2,263	-	-	-	-	127,262	
<b>TOTAL REVENUES</b>	<b>23,099,987</b>	<b>313,564</b>	<b>137,259</b>	<b>2,263</b>	<b>371,727</b>	<b>3,590,159</b>	<b>455,054</b>	<b>1,443,561</b>	<b>29,413,574</b>	
<b>EXPENDITURES:</b>										
Current:										
General government	4,909,433	-	-	-	-	-	-	-	4,909,433	
Public safety	4,659,494	-	-	-	-	-	-	-	4,659,494	
Transportation	7,111,709	-	-	-	-	-	-	-	7,111,709	
Economic and physical development	893,807	-	-	-	-	-	-	-	893,807	
Environmental protection	3,231,322	-	-	-	-	-	-	-	3,231,322	
Culture and recreation	1,157,265	-	-	-	-	-	-	-	1,157,265	
Debt service:										
Principal retirement	1,540,030	-	-	-	-	-	-	-	1,540,030	
Interest and fees	335,417	-	-	-	-	-	-	-	335,417	
Capital outlay	-	-	-	2,127,949	-	-	-	2,359,600	4,487,549	
<b>TOTAL EXPENDITURES</b>	<b>23,838,477</b>	<b>-</b>	<b>-</b>	<b>2,127,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,359,600</b>	<b>28,326,026</b>	
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(738,490)</b>	<b>313,564</b>	<b>137,259</b>	<b>(2,125,686)</b>	<b>371,727</b>	<b>3,590,159</b>	<b>455,054</b>	<b>(916,039)</b>	<b>1,087,548</b>	
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers from other funds	7,256,933	3,240,162	-	2,126,985	3,986,719	-	-	1,323,854	17,934,653	
Transfers to other funds	(7,294,623)	(3,442,169)	(2,646,019)	-	(121,130)	(3,791,259)	(2,015,357)	-	(19,310,557)	
Sale of capital assets	71,613	-	-	-	-	-	-	-	71,613	
	33,923	(202,007)	(2,646,019)	2,126,985	3,865,589	(3,791,259)	(2,015,357)	1,323,854	(1,304,291)	
<b>NET CHANGE IN FUND BALANCES</b>	<b>(704,567)</b>	<b>111,557</b>	<b>(2,508,760)</b>	<b>1,299</b>	<b>4,237,316</b>	<b>(201,100)</b>	<b>(1,560,303)</b>	<b>407,815</b>	<b>(216,743)</b>	
<b>FUND BALANCES, beginning, as previously reported</b>	<b>27,652,811</b>	<b>7,085,292</b>	<b>5,564,404</b>	<b>-</b>	<b>-</b>	<b>599,833</b>	<b>10,542,048</b>	<b>7,560,036</b>	<b>59,004,424</b>	
Change within financial reporting entity (non-major to major fund)	-	-	-	-	6,442,717	-	-	(6,442,717)	-	
Error correction	-	-	-	-	-	(362,267)	-	-	(362,267)	
<b>FUND BALANCES, beginning, as restated</b>	<b>27,652,811</b>	<b>7,085,292</b>	<b>5,564,404</b>	<b>-</b>	<b>6,442,717</b>	<b>237,566</b>	<b>10,542,048</b>	<b>1,117,319</b>	<b>58,642,157</b>	
<b>FUND BALANCES, ending</b>	<b>\$26,948,244</b>	<b>\$ 7,196,849</b>	<b>\$ 3,055,644</b>	<b>\$ 1,299</b>	<b>\$10,680,033</b>	<b>\$ 36,466</b>	<b>\$ 8,981,745</b>	<b>\$ 1,525,134</b>	<b>\$58,425,414</b>	

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

**Exhibit 4-2**

**Net change in fund balances - total governmental funds (Exhibit 4-1)** \$ (216,743)

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures, net of adjustment	5,398,908
Depreciation expense for governmental assets	(3,223,612)

Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	502,106
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in accrued interest receivable on taxes	2,091
Change in unavailable revenues	87,837
Donated assets	4,197,917

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:

Amortization of bond premiums	48,030
Principal payments on long-term debt	1,492,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the fund statements:

Difference in investment earnings between fund statements (modified accrual) and government-wide statements (accrual) - arbitrage	(50,852)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (accrual)	11,193
Change in compensated absences	3,919
Pension expense	<u>(650,905)</u>

**Total change in net position of governmental activities (Exhibit 2)** \$ 7,601,889

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**ANNUAL BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

**Exhibit 5**

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>REVENUES:</b>				
Ad valorem taxes	\$ 11,307,651	\$ 11,307,651	\$ 12,021,652	\$ 714,001
Other taxes and licenses	103,000	103,000	109,001	6,001
Unrestricted intergovernmental	6,920,000	6,920,000	7,413,758	493,758
Restricted intergovernmental	1,196,250	1,272,600	1,462,189	189,589
Permits and fees	150,000	150,000	175,857	25,857
Sales and services	290,000	290,000	362,338	72,338
Investment earnings	1,615,000	1,615,000	1,430,193	(184,807)
Miscellaneous	29,314	34,314	124,999	90,685
<b>TOTAL REVENUES</b>	<u>21,611,215</u>	<u>21,692,565</u>	<u>23,099,987</u>	<u>1,407,422</u>
<b>EXPENDITURES:</b>				
Current:				
General government	5,295,724	6,606,496	4,909,433	1,697,063
Public safety	4,659,494	4,659,494	4,659,494	-
Transportation	5,290,116	10,458,713	7,111,709	3,347,004
Economic and physical development	973,009	1,017,727	893,807	123,920
Environmental protection	3,444,689	3,458,730	3,231,322	227,408
Culture and recreation	1,058,250	1,341,225	1,157,265	183,960
Debt service:				
Principal retirement	1,540,030	1,540,030	1,540,030	-
Interest and fees	335,418	335,418	335,417	1
Contingency	250,000	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>22,846,730</u>	<u>29,417,833</u>	<u>23,838,477</u>	<u>5,579,356</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(1,235,515)</u>	<u>(7,725,268)</u>	<u>(738,490)</u>	<u>6,986,778</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	2,875,448	10,164,097	7,256,933	(2,907,164)
Transfers to other funds	(3,055,327)	(11,741,252)	(7,294,623)	4,446,629
Sale of capital assets	22,500	22,500	71,613	49,113
	<u>(157,379)</u>	<u>(1,554,655)</u>	<u>33,923</u>	<u>1,588,578</u>
<b>REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES</b>	<u>(1,392,894)</u>	<u>(9,279,923)</u>	<u>(704,567)</u>	<u>8,575,356</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>1,392,894</u>	<u>9,279,923</u>	<u>-</u>	<u>(9,279,923)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(704,567)</u>	<u>\$ (704,567)</u>
<b>FUND BALANCE, beginning</b>			<u>27,652,811</u>	
<b>FUND BALANCE, ending</b>			<u>\$ 26,948,244</u>	

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**June 30, 2025**

**Exhibit 6**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 4,818,319
Accounts receivable (net)	2,891
Due from other governments	22,940
Due from other funds	<u>21,419</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>4,865,569</b></u>

**NONCURRENT ASSETS**

Capital assets:	
Land and other nondepreciable assets	1,602,777
Other capital assets (net)	<u>5,808,345</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u><b>7,411,122</b></u>

<b>TOTAL ASSETS</b>	<u><b>12,276,691</b></u>
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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	<u>229,705</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>229,705</b></u>

**NET POSITION**

Net investment in capital assets	7,411,122
Unrestricted	<u>4,635,864</u>
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 12,046,986</b></u></u>

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA** **Exhibit 7**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2025**

**OPERATING REVENUES**

Stormwater management fee \$ 1,635,498

**OPERATING EXPENSES**

Administration 22,881

Operations 689,768

Depreciation 464,712

**TOTAL OPERATING EXPENSES** 1,177,361

**OPERATING INCOME** 458,137

**NONOPERATING REVENUES**

Investment earnings 2,864

Disposal of capital assets 45,180

**TOTAL NONOPERATING REVENUES** 48,044

**INCOME BEFORE TRANSFERS** 506,181

**TRANSFERS** 1,375,904

**CHANGE IN NET POSITION** 1,882,085

**NET POSITION, beginning** 10,164,901

**NET POSITION, ending** \$ 12,046,986

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit 8**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 1,634,866
Cash paid for goods and services	(194,213)
Cash paid to or on behalf of employees for services	<u>(369,854)</u>

**NET CASH PROVIDED BY  
OPERATING ACTIVITIES**

1,070,799

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Decrease in due from other funds	22,915
Transfers to/from other funds	<u>1,375,904</u>

**NET CASH PROVIDED BY  
NONCAPITAL FINANCING ACTIVITIES**

1,398,819

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING  
ACTIVITIES**

Acquisition of capital assets	(2,314,798)
Cash proceeds from sale of capital assets	<u>45,180</u>

**NET CASH USED BY CAPITAL AND  
RELATED FINANCING ACTIVITIES**

(2,269,618)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment earnings	<u>2,864</u>
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**NET INCREASE IN CASH  
AND CASH EQUIVALENTS**

202,864

**CASH AND CASH EQUIVALENTS, beginning**

4,615,455

**CASH AND CASH EQUIVALENTS, ending**

\$ 4,818,319

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 458,137
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	464,712
Increase in:	
Accounts receivable	(632)
Due from other governments	(2,850)
Increase in:	
Accounts payable and accrued liabilities	<u>151,432</u>

**NET CASH PROVIDED BY  
OPERATING ACTIVITIES**

\$ 1,070,799

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Town of Indian Trail and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

**A. REPORTING ENTITY**

Town of Indian Trail is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

*Town of Indian Trail Alcoholic Beverage Control Board* – The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Town of Indian Trail ABC Board, Post Office Box 2932, Indian Trail, NC 28079.

**B. BASIS OF PRESENTATION**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government and its component unit. 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 specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

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 nonoperating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

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

*Capital Reserve and Debt Service Fund.* This fund is used to account for money set aside by the Town for future debt service payments and future capital projects.

*Bond Capital Project Fund.* This fund is used to account for bond proceeds related to streets and park improvements.

*Chestnut Extension Capital Project Fund.* This fund is used to account for the construction of the Chestnut Parkway Extension.

*Capital Reserve Fund.* This fund is used to account for money set aside by the Town for the land purchase, design, and construction of a public works facility.

*American Rescue Plan Act Special Revenue Fund.* This fund is used to account for transactions related to the American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds.

*SCIF Grant for Capital Improvements Special Revenue Fund.* This fund is used to account for transactions related to State Capital Infrastructure Fund monies designated for capital improvements.

The Town reports the following non-major governmental funds:

*US 74 Multi-Use Path and South Fork Crooked Creek Greenway Project Fund.* This fund is used to account for the construction of the US 74 multi-use path and South Fork Crooked Creek greenway. The sidewalk portion will be a state owned and Town maintained asset. The greenway portion will be a Town owned and maintained asset.

*Indian Trail Road Complete Street Project Fund.* This fund is used to account for the construction of the Indian Trail Road complete street project, which will be a Town owned and maintained asset.

*Parks and Recreational Regional Economic Grant Special Revenue Fund.* This fund is used to account for transactions related to a legislatively directed grant designated for parks and recreation.

*Chestnut Square Park Access Road Capital Project Fund.* This fund is used to account for transactions related to the design and construction of an access road at Chestnut Square Park.

*Chestnut Square Park Phase 2 Capital Project Fund.* This fund is used to account for the second phase of construction of Chestnut Square Park.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

*Indian Trail Complete Street Phase 2 Capital Project Fund.* This fund is used to account for the second phase of construction of the Indian Trail Road complete street project, which will be a Town owned and maintained asset.

The Town reports the following major proprietary fund:

*Stormwater Fund.* This fund is used to account for the Town's stormwater operations. The Shady Bluff Roadway Improvements Capital Project Fund is consolidated with the Stormwater Fund for financial reporting purposes.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are stormwater management fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating 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. Issuance of general long-term debt and acquisitions under leases and IT subscriptions are reported as other financing sources, when applicable.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

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 Town of Indian Trail because the tax is levied by Union County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there 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 and the Proprietary Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances spanning more than one year are adopted, and amended as required, for capital projects and special revenue funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The budget officer may transfer amounts between line item expenditures within a department and may transfer amounts up to \$5,000 between departments, including contingency appropriations, within the same fund. An official report on such transfers must be made at the next regular meeting of the governing board. Amendments are required for all other changes to the budget. All amendments 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 that time until the annual ordinance can be adopted.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND FUND EQUITY**

**DEPOSITS AND INVESTMENTS**

All deposits of the Town and the ABC Board are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and the ABC Board 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 and the ABC Board 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 mutual fund shares when the mutual fund is certified by the Local Government Commission. The Town's and the ABC Board's investments are reported at fair value. The Town invests in the North Carolina Capital Management Trust (NCCMT) – Government Portfolio and the North Carolina Cooperative Liquid Assets Securities System (NC CLASS).

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

The NC CLASS is an investment pool authorized by G.S. 159-30(c)(10) and was established by an Interlocal Agreement dated March 1, 2023, as amended, by the local governments pursuant to G.S. 160A-460 through 160A-464. The investments within NC CLASS are limited to those qualifying for investment under G.S. 159-30(c). NC CLASS is rated AAAM by S&P Global Ratings and reported at fair value.

**CASH AND CASH EQUIVALENTS**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

**RESTRICTED ASSETS**

The unexpended bond proceeds of the Bond Capital Project Fund general obligation bonds issued by the Town are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. Construction deposits held in an escrow account are restricted to the project to which the deposits were received. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4. Unassigned and unexpended grant monies are classified as restricted assets because their use is completely restricted to the purpose for which the grant monies were originally received.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

Restricted cash for the Town as of June 30, 2025, was as follows:

*Governmental Activities:*

Streets	\$ 1,312,356
Escrow deposits	957,352
Unexpended bond proceeds	3,124,818
Unassigned grant proceeds	160,031
Unexpended grant monies	<u>9,250,086</u>
Total Restricted Cash	<u>\$ 14,804,643</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 1<sup>st</sup>, 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 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2024.

**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 receivables written off in prior years as well as the receivables at year-end deemed to be uncollectible. Allowances for doubtful accounts are not currently maintained by the Town due to expected collectability of all accounts receivable.

**INVENTORIES AND PREPAID ITEMS**

The inventories of the Town and the ABC Board are valued at cost (first-in, first-out), which approximates market. The Town's inventory consists of expendable materials and supplies that are recorded as expenditures are used rather than when purchased.

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

**CAPITAL ASSETS**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$5,000 for the following; improvements, furniture and equipment, vehicles, computer software and equipment; all values for land and buildings; and \$100,000 for streets and sidewalks. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 16, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value. The Town elected not to adopt retroactive capitalization of general infrastructure assets acquired prior to July 1, 2003, pursuant to GASB 34. 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 of the Town are depreciated on a straight-line basis over the following useful lives:

Buildings	15 – 40 years
Infrastructure	5 – 50 years
Furniture and equipment	4 – 7 years
Computer equipment	5 years
Computer software	5 years

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Other improvements	15 – 50 years
Vehicles	5 – 6 years

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Building	39 years
Store equipment	5 – 10 years
Leasehold improvements	10 – 15 years

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. For the current year the Town has one item that meets this criterion – pension deferrals for the current fiscal year. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category – property taxes receivable, unavailable grant revenues (reported only on the Balance Sheet of the governmental funds), pension deferrals, and advances on improvements.

**REIMBURSEMENTS FOR PANDEMIC-RELATED EXPENDITURES**

In fiscal year 2020-2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The Town was allocated \$12,774,525 of fiscal recovery funds to be paid in two equal installments. The first tranche of \$6,387,263 was received in August 2021. The second tranche was received in August 2022. The Town plans to utilize the standard allowance for revenue replacement of \$10 million of the ARPA funds. This revenue replacement will be used to fund the contract with Union County Sheriff’s Office for the three fiscal years beginning with 2022-2023. \$210,019 was used for premium pay in fiscal year 2022-2023. The remaining \$2,564,506 is to be used for stormwater infrastructure. The Town has met the grantor requirements of encumbering the funds by December 31, 2024, and plans to have the funds fully expended by December 31, 2026. Unassigned grant proceeds of \$102,146 are included in unearned revenues in the governmental funds and in liabilities payable from restricted assets in the government-wide financial statements as of June 30, 2025.

**LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**COMPENSATED ABSENCES**

The vacation policy of the Town provides for the accumulation of up to 210 hours of earned vacation leave with such leave being fully vested when earned. For the Town's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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.

**NET POSITION/FUND BALANCES**

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

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

The governmental fund types classify fund balances as follows:

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

**Inventories** – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

**Prepaid expenditures** – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenses, which are not spendable resources.

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

**Restricted for Stabilization by state statute** – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina legislature in the 1930's 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".

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*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 year.* Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation”. RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included in RSS. RSS is included as a component of restricted fund balance on the Balance Sheet and restricted net position on the Statement of Net Position.

Restricted for transportation – portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures.

Restricted for capital projects – portion of fund balance that is restricted by revenue source for certain capital project expenditures.

Restricted for other purposes – portion of fund balance restricted by revenue source for other purposes. This amount currently represents the investment earnings on unexpended ARPA funds.

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

Committed for debt service and capital reserve – portion of fund balance that has been set aside by the Board for future debt service obligations and capital projects.

Committed for economic development – portion of fund balance that has been set aside by the Board for economic development.

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

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing board approves this appropriation; however, the budget ordinance authorizes the budget officer to modify the appropriations by resource or appropriation within funds up to \$5,000. The Town does not have any assigned fund balance as of June 30, 2025.

Unassigned Fund Balance – portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds and that has not been reported as nonspendable fund balance. The General Fund is the only governmental fund that can report a positive amount in unassigned fund balance. If expenditures incurred exceed restricted, committed, or assigned resources available in other governmental funds, the deficit is reported in unassigned fund balance.

The Finance Officer uses resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Town funds, Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance.

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The Town has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 30% of budgeted expenditures less capital outlays and transfers out. Any portion of the General Fund balance in excess of 30% of the next year's 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 liability (asset), 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. Town of Indian Trail's employer contributions are recognized when due and Town of Indian Trail has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – DETAIL NOTES ON ALL FUNDS**

**A. ASSETS**

**DEPOSITS**

All the deposits of the Town and the ABC Board 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 or the ABC Board'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 and the ABC Board, these deposits are considered to be held by the Town's and the ABC Board's agents in their names. 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, the ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town or the ABC Board under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Town complies with

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the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2025, the Town’s deposits had a carrying amount of \$2,492,419 and a bank balance of \$1,701,874. The carrying amount of deposits for the ABC Board was \$1,269,571 and the bank balance was \$1,434,125. Of the bank balance, \$500,000 was covered by federal depository insurance at each financial institution, and the remainder was covered by collateral held under the Pooling Method. At June 30, 2025, the Town’s and ABC Board’s bank balances exceeded federally insured limits by \$1,201,874 and \$813,358, respectively. All deposits of the Town and the ABC Board are insured or collateralized under the Pooling Method. At June 30, 2025, the Town’s and the ABC Board’s petty cash totaled \$800 and \$5,601, respectively.

**INVESTMENTS**

At June 30, 2025, the Town had the following investments:

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair Value-Level 1	\$ 49,301,779	N/A	AAAm
NC Cooperative Liquid Assets Securities System	Fair Value-Level 1	<u>10,680,033</u>	N/A	AAAm
		<u>\$ 59,981,812</u>		

The Town has an investment policy that limits the Town’s exposure to interest rate and credit risk. The policy is designed to provide the highest investment return with maximum security, while conforming to all state statutes governing the investment of idle funds.

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**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
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**CAPITAL ASSETS**

**Primary Government:**

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<b><i>Governmental activities:</i></b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 5,837,872	\$ 6,350	\$ -	\$ 5,844,222
Construction in progress	8,786,233	4,823,684	7,270	13,602,647
Deposits	<u>1,534,240</u>	<u>-</u>	<u>-</u>	<u>1,534,240</u>
Total capital assets not being depreciated	<u>16,158,345</u>	<u>4,830,034</u>	<u>7,270</u>	<u>20,981,109</u>
<b>Capital assets being depreciated:</b>				
Buildings	11,047,026	55,720	-	11,102,746
Other improvements	14,879,839	53,400	-	14,933,239
Infrastructure	47,459,259	4,197,917	-	51,657,176
Equipment	1,967,626	248,493	45,701	2,170,418
Furniture	273,633	-	-	273,633
Computer equipment	412,596	-	-	412,596
Computer software	284,205	107,088	-	391,293
Vehicles and motorized equipment	<u>3,889,591</u>	<u>111,443</u>	<u>89,484</u>	<u>3,911,550</u>
Total capital assets being depreciated	<u>80,213,775</u>	<u>4,774,061</u>	<u>135,185</u>	<u>84,852,651</u>
Less accumulated depreciation for:				
Buildings	2,314,948	281,499	-	2,596,447
Other improvements	8,365,433	1,026,287	-	9,391,720
Infrastructure	12,708,065	1,336,970	-	14,045,035
Equipment	1,300,873	184,956	45,701	1,440,128
Furniture	273,633	-	-	273,633
Computer equipment	395,788	9,224	-	405,012
Computer software	252,846	50,238	-	303,084
Vehicles and motorized equipment	<u>511,145</u>	<u>334,438</u>	<u>89,484</u>	<u>756,099</u>
Total accumulated depreciation	<u>26,122,731</u>	<u>3,223,612</u>	<u>135,185</u>	<u>29,211,158</u>
Total capital assets being depreciated, net	<u>54,091,044</u>			<u>55,641,493</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 70,249,389</u>			<u>\$ 76,622,602</u>

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Depreciation expense was charged to governmental departments as follows:

General government	\$ 327,997
Public safety	146,999
Transportation	1,773,302
Economic and physical development	11,422
Culture and recreation	963,892
	<u>\$ 3,223,612</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b>Stormwater Fund:</b>				
<b>Capital assets not being depreciated:</b>				
Construction in progress	\$ 3,346,284	\$ 1,614,412	\$ 3,357,919	\$ 1,602,777
<b>Capital assets being depreciated:</b>				
Buildings	3,784	-	-	3,784
Equipment	494,331	405,115	24,415	875,031
Vehicles and motorized equipment	355,327	98,964	43,155	411,136
Other improvements	1,901,883	3,554,226	-	5,456,109
Total capital assets being depreciated	<u>2,755,325</u>	<u>4,058,305</u>	<u>67,570</u>	<u>6,746,060</u>
Less accumulated depreciation for:				
Buildings	328	757	-	1,085
Equipment	297,128	118,176	24,415	390,889
Vehicles and motorized equipment	204,345	57,563	43,155	218,753
Other improvements	38,772	288,216	-	326,988
Total accumulated depreciation	<u>540,573</u>	<u>464,712</u>	<u>67,570</u>	<u>937,715</u>
Total capital assets being depreciated, net	<u>2,214,752</u>			<u>5,808,345</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 5,561,036</u>			<u>\$ 7,411,122</u>

Depreciation expense for the year ended June 30, 2025, was \$464,712.

**Construction commitments**

The Town's commitments on active construction projects at June 30, 2025, were as follows:

Chestnut Extension	\$ 3,818,114
US 74 Multi-Use Path and South Fork Crooked Creek Greenway	21,927
Indian Trail Road Complete Street (Phases 1 and 2)	534,035
Chestnut Square Park Phase 2 and access road	169,768
Pickleball courts	750,000
Facility upgrades, site analysis, and feasibility study	208,653
Stormwater improvements	301,682
	<u>\$ 5,804,179</u>

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**Discretely Presented Component Unit:**

Activity for the ABC Board for the year ended June 30, 2025, was as follows:

	Beginning			Ending
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 848,849	\$ -	\$ -	\$ 848,849
<b>Capital assets being depreciated:</b>				
Building	1,531,241	-	-	1,531,241
Store equipment	347,544	-	-	347,544
Leasehold improvements	164,910	8,850	-	173,760
Total capital assets being depreciated	<u>2,043,695</u>	<u>8,850</u>	<u>-</u>	<u>2,052,545</u>
Less accumulated depreciation for:				
Building	66,779	39,245	-	106,024
Store equipment	96,150	15,328	-	111,478
Leasehold improvements	117,932	10,653	-	128,585
Total accumulated depreciation	<u>280,861</u>	<u>65,226</u>	<u>-</u>	<u>346,087</u>
Total capital assets being depreciated, net	<u>1,762,834</u>			<u>1,706,458</u>
<b>ABC capital assets, net</b>	<u>\$ 2,611,683</u>			<u>\$ 2,555,307</u>
<b>Capital assets being amortized:</b>				
Right to use assets:				
Leased building	\$ 351,765	\$ -	\$ -	\$ 351,765
Less accumulated amortization	<u>238,935</u>	<u>79,644</u>	<u>-</u>	<u>318,579</u>
<b>ABC right to use assets, net</b>	<u>\$ 112,830</u>			<u>\$ 33,186</u>

Depreciation and amortization expense for the year ended June 30, 2025, totaled \$144,870.

**B. LIABILITIES**

**PAYABLES**

Payables at the government-wide level at June 30, 2025, were as follows:

	<u>Vendors</u>	Due to Other		<u>Total</u>
		<u>Governments</u>	<u>Other</u>	
<b>Governmental activities:</b>				
General Fund	\$ 392,987	\$ 210	\$ -	\$ 393,197
Other governmental funds	<u>421,100</u>	<u>-</u>	<u>102,146</u>	<u>523,246</u>
<b>Total governmental activities</b>	<u>\$ 814,087</u>	<u>\$ 210</u>	<u>\$ 102,146</u>	<u>\$ 916,443</u>
<b>Business-type activities:</b>				
Stormwater Fund	<u>\$ 229,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,705</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
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**PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS**

**1. Local Governmental Employees' Retirement System**

*Plan Description:* Town of Indian Trail 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 (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](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. 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 or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

*Contributions:* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Indian Trail employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Indian Trail's contractually required contribution rate for the year ended June 30, 2025, was 13.63% for general employees, actuarially determined as an amount that when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year. The Town does not employ any law enforcement officers. Contributions to the pension plan from Town of Indian Trail were \$502,106 for the year ended June 30, 2025.

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

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*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At June 30, 2025, the Town reported a liability of \$2,338,616 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024, utilizing update procedures incorporating the actuarial assumptions. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2025, the Town’s proportion was 0.03469% (measured as of June 30, 2024), which was a decrease of 0.00388% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the Town recognized pension expense of \$650,905. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 409,814	\$ 2,755
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	317,934	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	27,070	152,602
Town’s contributions subsequent to the measurement date	<u>502,106</u>	<u>-</u>
Total	<u>\$ 1,256,924</u>	<u>\$ 155,357</u>

\$502,106 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2026	\$ 189,221
2027	409,675
2028	36,514
2029	(35,949)
2030	-
Thereafter	-

*Actuarial Assumptions:* The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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**June 30, 2025**

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of an actuarial experience review 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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, are summarized in the following table:

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

The information above is based on 30-year expectations developed with an investment consulting firm for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annual figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. Return projections do not include any excess return expectations over benchmark averages for public markets. All rates of return and inflation are annual amounts.

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*Discount Rate:* The discount rate used to measure the total pension liability was 6.50%. The 6.50% discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually 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 (Asset) to Changes in the Discount Rate:* The following presents the Town’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50 percent, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Town’s proportionate share of the net pension liability (asset)	\$ 4,144,096	\$ 2,338,616	\$ 853,360

*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 (ACFR) for the State of North Carolina.

**2. 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. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State’s ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454.

*Funding Policy:* The Town has elected to contribute to the Supplemental Retirement Income Plan for general employees. General employees may also make voluntary contributions to the plan. All amounts contributed are immediately vested in the name of each participant. The Town made contributions of \$180,434 for the reporting year. No amounts were forfeited.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
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**3. Deferred Compensation Plan**

*Plan Description:* The Town contributes to the North Carolina Public Employee Deferred Compensation Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The North Carolina Public Employee Deferred Compensation Plan is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 457 plan that includes the Deferred Compensation Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454.

*Funding Policy:* The Plan permits each participating employee to defer a portion of his or her salary until future years by having the funds invested in various instruments that make up the North Carolina Public Employee Deferred Compensation Trust Fund. The fund is held in trust by the 457 Plan for the exclusive benefit of participating employees and their beneficiaries. The deferred compensation is available to employees upon separation from service, death, disability, retirement, or financial hardships if approved by the Board. The Town made contributions of \$2,675 for the reporting year.

**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 postemployment 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.

For the fiscal year ended June 30, 2025, the Town made contributions to the State for death benefits of \$1,105. The Town's required contributions for employees not engaged in law enforcement represented .03% of covered payroll.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
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**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

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

Contributions to pension plan in current fiscal year	\$ 502,106
Differences between expected and actual experience	409,814
Changes of assumptions	-
Net difference between projected and actual earnings on pension plan investments	317,934
Changes in proportion and differences between Town contributions and proportionate share of contributions	<u>27,070</u>
Total	<u>\$ 1,256,924</u>

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

	<u>Statement of Net Position</u>	<u>Gov't Funds Balance Sheet</u>
Advances on improvements	\$ 214,713	\$ 214,713
Grants receivable	-	76,350
Prepaid taxes (General Fund)	-	-
Taxes receivable, less penalties (General Fund)	-	66,918
Differences between expected and actual experience	2,755	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	<u>152,602</u>	<u>-</u>
Total	<u>\$ 370,070</u>	<u>\$ 357,981</u>

**RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance based on management's evaluation of risk loss. The Town obtains general liability coverage of \$5 million and auto liability coverage of \$5 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. There have been no significant reductions in insurance coverage from the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The Town is not located in a flood zone but has elected to carry flood insurance through a commercial carrier of \$1,000,000 per occurrence.

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 is individually bonded for \$1,000,000. The tax collector is individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$5,000,000.

**CLAIMS AND JUDGMENTS**

The Town is and/or may be subject to various claims and/or lawsuits, including pending litigation condemnation cases related to the Indian Trail Road Complete Street Project. In the opinion of the Town's management, the Town's attorney, and the insurance carrier attorneys, the ultimate impact of any such legal matters will not materially affect the Town's financial position.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
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**LONG-TERM OBLIGATIONS**

**1. Installment Purchases Payable**

Installment purchases payable consisted of the following direct borrowings at June 30, 2025:

On September 10, 2015, the Town entered into an installment purchase contract with a bank to finance the acquisition and construction of facilities. The financing contract requires 15 annual payments, including interest at 2.51% due semi-annually through August 2030. The loan is secured by a security interest in utility equipment and deposits in the project fund.

\$ 1,897,000

In the event of default on any of the above loan, the bank may exercise any one or more of the following remedies: (a) declare the unpaid principal immediately due and payable, (b) proceed with appropriate court action to enforce the applicable covenants of the loan agreement(s), (c) require the Town to pay over any balance remaining in the project fund, and (d) avail itself to any available remedies under the loan agreement(s).

The future minimum payments of the installment purchases as of June 30, 2025, are as follows:

Year ending <u>June 30, ___</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 317,000	\$ 43,636
2027	316,000	35,692
2028	316,000	27,761
2029	316,000	19,829
2030	316,000	11,897
2031	<u>316,000</u>	<u>3,966</u>
	<u>\$ 1,897,000</u>	<u>\$ 142,781</u>

**2. General Obligation Indebtedness**

The Town's general obligation bonds serviced by the governmental funds were issued for the acquisition and construction of streets, sidewalks, parks, and related improvements. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due. In the event of default, the Town agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the Town under the related agreements.

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On December 18, 2012, the Town issued \$3,000,000 Streets and Sidewalk direct placement serial bonds, Series 2012. Principal installments are due annually on February 1 <sup>st</sup> with semi-annual interest payments due on February 1 <sup>st</sup> and August 1 <sup>st</sup> at an annual interest rate of 2.15% through February 1, 2028.	\$ 1,194,000
On April 18, 2013, the Town issued \$8,000,000 Parks, Streets, and Thoroughfare direct placement serial bonds, Series 2013. Principal installments are due annually on May 1 <sup>st</sup> , with semi-annual interest payments due on May 1 <sup>st</sup> and November 1 <sup>st</sup> at interest rates from 1.5% to 2.625% through May 1, 2033.	3,200,000
On October 16, 2019, the Town issued \$2,500,000 Parks & Recreation direct placement serial bonds, Series 2019. Principal installments are due annually on August 1 <sup>st</sup> , with semi-annual interest payments due on August 1 <sup>st</sup> and February 1 <sup>st</sup> at 2.12% through August 1, 2034.	1,665,000
On October 13, 2021, the Town issued \$6,000,000 Streets direct placement serial bonds, Series 2021. Principal installments are due annually on November 1 <sup>st</sup> , with semi-annual interest payments due on May 1 <sup>st</sup> and November 1 <sup>st</sup> at 2.0% to 5.0% through November 1, 2041.	<u>5,100,000</u>
<b>TOTAL GENERAL OBLIGATION INDEBTEDNESS</b>	<b><u>\$ 11,159,000</u></b>

Annual debt service requirements as of June 30, 2025, are as follows:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 1,229,000	\$ 298,699
2027	1,283,000	264,375
2028	1,283,000	228,891
2029	867,000	193,407
2030	867,000	165,866
2031-2035	3,530,000	433,990
2036-2040	1,500,000	135,000
2041-2042	<u>600,000</u>	<u>12,000</u>
	<u>\$ 11,159,000</u>	<u>\$ 1,732,228</u>

At June 30, 2025, the Town had bonds authorized but unissued of \$-0- and had a legal debt margin of \$504,949,474.

**3. Arbitrage**

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the Town must rebate to the federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2025, the Town has accrued arbitrage liabilities totaling \$414,684.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
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**4. Changes in Long-Term Liabilities**

The following is a summary of changes in the Town's and the ABC Board's long-term obligations for the year ended June 30, 2025:

	Beginning			Ending	Due
	Balance	Increases	Decreases	Balance	Within
					One Year
<b>Governmental activities:</b>					
Direct placement general obligation bonds	\$ 12,334,000	\$ -	\$ 1,175,000	\$ 11,159,000	\$ 1,229,000
Premiums on bond issuances	783,467	-	48,030	735,437	48,030
Direct borrowing installment purchases	2,214,000	-	317,000	1,897,000	317,000
Compensated absences *	342,476	-	3,919	338,557	338,557
Arbitrage liability	363,832	137,986	87,134	414,684	-
Net pension liability (LRS)	2,554,790	-	216,174	2,338,616	-
	<u>\$ 18,592,565</u>	<u>\$ 137,986</u>	<u>\$ 1,847,257</u>	<u>\$ 16,883,294</u>	<u>\$ 1,932,587</u>

\* The change in compensated absences liability is presented as a net change.

**ABC Board:**

Direct borrowing installment purchase	\$ 369,536	\$ -	\$ 369,536	\$ -	\$ -
Leases	123,634	-	86,316	37,318	37,318
Compensated absences	-	30,579	-	30,579	30,579
Net pension liability (LRS)	172,994	54,682	-	227,676	-
	<u>\$ 666,164</u>	<u>\$ 85,261</u>	<u>\$ 455,852</u>	<u>\$ 295,573</u>	<u>\$ 67,897</u>

**C. INTERFUND BALANCES AND ACTIVITY**

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

	Interfund	Interfund
	Receivable	Payable
General Fund	\$ -	\$ 141,685
Capital Reserve and Debt Service Fund	35,059	320,073
Bond Capital Project Fund	-	69,174
Chestnut Extension Capital Project Fund	399,211	-
US 74 Multi-Use Path and South Fork Crooked Creek Greenway Project Fund	870	-
Indian Trail Road Complete Street Project Fund	93,528	-
American Rescue Plan Act Special Revenue Fund	-	21,419
SCIF Grant for Capital Improvements Special Revenue Fund	-	8,100
Chestnut Square Park Access Road Capital Project Fund	8,100	-
Indian Trail Complete Street Phase 2 Capital Project Fund	2,264	-
Stormwater Fund	21,419	-
	<u>\$ 560,451</u>	<u>\$ 560,451</u>

The interfund balances resulted from time lags between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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Transfers are used to move monies to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. Transfers to capital project funds are for funding capital needs and providing matching funds. Transfers from (to) other funds at June 30, 2025, consist of the following:

	<u>From</u>	<u>To</u>
<b>Major Governmental Funds:</b>		
General Fund:		
From/to Capital Reserve and Debt Service Fund	\$ 1,875,447	\$ 3,240,162
From Bond Capital Project Fund	1,000,000	-
From/to Capital Reserve Fund	121,130	3,986,719
To US 74 Multi-Use Path and South Fork Crooked Creek Greenway Project Fund	-	39,440
From American Rescue Plan Act Special Revenue Fund	2,264,734	-
From SCIF Grant for Capital Improvements Special Revenue Fund	1,995,622	-
To Chestnut Extension Capital Project Fund	-	28,302
Capital Reserve and Debt Service Fund:		
From/to General Fund	3,240,162	1,875,447
To Chestnut Extension Capital Project Fund	-	1,045,946
To Indian Trail Complete Street Phase 2 Capital Project Fund	-	17,623
To Chestnut Square Park Phase 2 Capital Project Fund	-	503,153
Bond Capital Project Fund:		
To General Fund	-	1,000,000
To Chestnut Extension Capital Project Fund	-	1,052,737
To Indian Trail Complete Street Capital Project Fund	-	513,124
To Chestnut Square Park Phase 2 Capital Project Fund	-	80,158
Chestnut Extension Capital Project Fund:		
From General Fund	28,302	-
From Capital Reserve and Debt Service Fund	1,045,946	-
From Bond Capital Project Fund	1,052,737	-
Capital Reserve Fund:		
From/to General Fund	3,986,719	121,130
American Rescue Plan Act Special Revenue Fund:		
To General Fund	-	2,264,734
To Stormwater Fund	-	1,526,525
SCIF Grant for Capital Improvements Special Revenue Fund:		
To General Fund	-	1,995,622
To Shady Bluff Roadway Improvements Project Fund	-	11,635
To Chestnut Square Park Access Road Capital Project Fund	-	8,100

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	<u>From</u>	<u>To</u>
<i><b>Non-major Governmental Funds:</b></i>		
US 74 Multi-Use Path and South Fork Crooked Creek Greenway Project Fund:		
From General Fund	39,440	-
Indian Trail Complete Street Capital Project Fund:		
From Bond Capital Project Fund	513,124	-
Chestnut Square Park Access Road Capital Project Fund:		
From SCIF Grant for Capital Improvements Special Revenue Fund	8,100	-
Chestnut Square Park Phase 2 Capital Project Fund:		
From Bond Capital Project Fund	80,158	-
From Capital Reserve and Debt Service Fund	503,153	-
From Stormwater Fund	162,256	-
Indian Trail Complete Street Phase 2 Capital Project Fund:		
From Capital Reserve and Debt Service Fund	17,623	-
<i><b>Enterprise Funds:</b></i>		
Stormwater Fund:		
From American Rescue Plan Act Special Revenue Fund	1,526,525	-
To Chestnut Square Park Phase 2 Capital Project Fund	-	162,256
Shady Bluff Roadway Improvements Project Fund:		
From SCIF Grant for Capital Improvements Special Revenue Fund	11,635	-
	<u>\$ 19,472,813</u>	<u>\$ 19,472,813</u>

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**D. FUND BALANCES**

**NET INVESTMENT IN CAPITAL ASSETS**

Capital assets, Governmental Activities	\$ 76,622,602
General obligation bonds	(11,159,000)
Bank loans	(1,897,000)
Unamortized bond premiums	(735,437)
Cash remaining from general obligation bonds	<u>3,124,818</u>
Net investment in capital assets	<u>\$ 65,955,983</u>

**FUND BALANCE**

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

Total fund balance – General Fund	\$ 26,948,244
Less:	
Inventories	745
Prepaid expenditures	50,320
Restricted for Stabilization by state statute	2,947,555
Restricted for transportation	1,341,262
Committed for economic development	220,000
Fund Balance Policy	<u>7,115,230</u>
Remaining Fund Balance	<u>\$ 15,273,132</u>

The Town of Indian Trail has adopted a minimum fund balance policy for General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 30% of the next year’s budgeted expenditures less capital outlays and transfers out.

**NOTE 3 – JOINT VENTURES**

***Charlotte Regional Transportation Planning Organization***

The Town participates in a joint venture, Charlotte Regional Transportation Planning Organization (CRTPO), with 22 other jurisdictions in Iredell, Mecklenburg, and Union counties to work cooperatively with each other and the North Carolina Department of Transportation to enhance transportation planning opportunities for the region. CRTPO is one of the four MPO’s and one RPO that make up the Charlotte Regional Alliance for Transportation. The Charlotte-Mecklenburg Planning Department is the lead planning agency for CRTPO. None of the participating governments have any equity interest in CRTPO, so no equity interest has been reflected in the financial statements at June 30, 2025. In accordance with the agreement between the participating governments and CRTPO, the Town paid \$18,850 to the CRTPO during the fiscal year ended June 30, 2025, for membership dues. Complete financial statements for CRTPO may be obtained from CRTPO’s office at 600 E. Fourth Street, 8<sup>th</sup> Floor, Charlotte, North Carolina 28202-2853.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
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**NOTE 4 – JOINTLY GOVERNED ORGANIZATION**

The Town, in conjunction with 8 counties and approximately 50 other municipalities, is a member of the Centralina Council of Governments (Council). The Council coordinates various funding received from federal and state agencies. Each participating government appoints one member to the Council’s governing board. The Town paid \$10,140 to the Council during the fiscal year ended June 30, 2025, for membership fees.

**NOTE 5 – SUMMARY DISCLOSURE OF OTHER COMMITMENTS**

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The General Fund amounts are included in the Stabilization by state statute amount in restricted fund balance. Outstanding encumbrances as of June 30, 2025, are as follows:

General Fund	\$ 1,308,560
Chestnut Extension Capital Project Fund	3,818,114
Non-major governmental funds	<u>750,907</u>
	<u>\$ 5,877,581</u>

The Town entered into a contract for solid waste and recycling collection. The contract was in effect from July 31, 2017, through July 30, 2022, and could be renewed for two (2), two (2) year terms. The contract was renegotiated with a new contract term of August 1, 2022, through July 31, 2027. The new contract may be renewed for two (2), two (2) year terms, renewable one term at a time.

The Town entered into an interlocal agreement with Union County for law enforcement services for July 1, 2017, through June 30, 2021. The contract was renewed for July 1, 2021, through June 30, 2025. The contract was renewed again effective July 1, 2025, to continue until terminated by either party not less than six months from the date of written notice to the other party. The Town is to pay Union County 90% of the county’s cost of providing the services, to be determined no later than March 31<sup>st</sup> of each year. The amount due to Union County for fiscal year 2025-2026 is to be \$5,224,809.

The Town has entered into a municipal agreement with North Carolina Department of Transportation (NCDOT) dated February 25, 2020. NCDOT is widening Old Monroe Road. The Town committed to providing \$5,000,000 in five installments as local participation in the right of way costs of the project. The Town has paid \$4,000,000 since fiscal year ended June 30, 2020. The remaining \$1,000,000 is budgeted to be paid in fiscal year ending June 30, 2026. The Town is currently working with NCDOT on betterments along Old Monroe Road. The Town has an outstanding contract for betterments of \$257,622 as of June 30, 2025.

The Town has also entered into contracts during the year for design and engineering services, professional services, purchases of equipment, and partnership with Union County for the cost of installation of water lines. The remaining balance on these contracts at June 30, 2025, as well as other contracts outstanding at year-end, are included in the above encumbrances.

**NOTE 6 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**FEDERAL AND STATE ASSISTED PROGRAMS**

The Town has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
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the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**OTHER**

The Town is subject to the authority of various federal and state regulatory agencies. No provision has been made in these financial statements for any sanctions which could be imposed if the Town were found to be in noncompliance or violation of regulations promulgated by these agencies.

**NOTE 7 – RESTATEMENT OF BEGINNING FUND BALANCES**

During the current fiscal year, the Town determined that prior disbursement of interest earnings on Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), received under the American Rescue Plan Act, as reported in the year ended June 30, 2024, resulted in unearned revenue being understated by \$362,267 while earned revenue was overstated by the same amount. Accordingly, the Town has corrected this error by restating beginning net position. The effect of this correction was a decrease in governmental net position of \$362,267.

During the current fiscal year, the Town reviewed its fund structure and determined two separate project funds, which were established for similar capital improvement purposes, should be combined into a single fund to improve financial reporting and oversight. As a result, the beginning fund balance of the Indian Trail Road Complete Street Project Fund has been restated to reflect the combination of the Navajo Trail Road Extension Capital Project Fund into a single reporting fund. This restatement increased the Indian Trail Road Complete Street Project Fund revenues and expenditures by \$80,510 each. This restatement did not affect the total governmental fund balances or the net position of governmental activities as previously reported.

**NOTE 8 – CHANGE IN ACCOUNTING PRINCIPLE**

The Town implemented the provisions of GASB Statement No. 101, *Compensated Absences*, effective for fiscal year ended June 30, 2025. GASB 101 establishes recognition and measurement guidance for compensated absences, including expanded criteria for leave that accumulates and carries over to future periods. The adoption of this standard represents a change in accounting principle. Implementation did not result in an adjustment to beginning net position, fund balance, or previously reported amounts, as the impact of applying the new recognition and measurement criteria was not material to prior periods. Current year financial statements have been prepared in accordance with the requirements of GASB 101.

**NOTE 9 – SUBSEQUENT CORRECTION OF PROJECT ORDINANCE**

Subsequent to year end, management determined the project ordinance for the Indian Trail Road Complete Street Project Fund contained an error in the breakdown between grant and local funding. Although the governing body formally amended the project ordinance subsequent to year-end, the financial statements reflect the corrected budget amounts, as the correction did not affect actual revenues, expenditures, or fund balance. The correction resulted only in a reclassification within the budget between grant revenue and local match of \$1,389,377. The overall project amount did not change.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule of the Proportionate Share of the Net Pension Liability (Asset) for Local Governmental Employees' Retirement System
- Schedule of Contributions for Local Governmental Employees' Retirement System

Note: The Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions for Local Governmental Employees' Retirement System for the ABC Board can be found in the separately issued financial statements of the ABC Board (see Note 1.A. to the Town's financial statements for contact information.)

**TOWN OF INDIAN TRAIL, NORTH CAROLINA  
REQUIRED SUPPLEMENTARY INFORMATION  
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
Last Ten Fiscal Years\***

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension liability (asset) (%)	0.03469%	0.03857%	0.03855%	0.03385%	0.03592%	0.03405%	0.03533%	0.03536%	0.03335%	0.02845%
Town's proportionate share of the net pension liability (asset) (\$)	\$ 2,338,616	\$ 2,554,790	\$ 2,174,770	\$ 519,122	\$ 1,283,575	\$ 929,879	\$ 838,148	\$ 540,203	\$ 707,799	\$ 127,682
Town's covered payroll	\$ 3,224,746	\$ 2,955,200	\$ 2,560,676	\$ 2,385,512	\$ 2,285,358	\$ 2,230,015	\$ 2,130,774	\$ 1,965,693	\$ 1,745,232	\$ 1,696,769
Town's proportion of the net pension liability (asset) as a percentage of its covered payroll	72.52%	86.45%	84.93%	21.76%	56.17%	41.70%	39.34%	27.48%	40.56%	7.53%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

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

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

**TOWN OF INDIAN TRAIL, NORTH CAROLINA  
REQUIRED SUPPLEMENTARY INFORMATION  
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 502,106	\$ 415,670	\$ 358,761	\$ 291,917	\$ 243,084	\$ 205,452	\$ 173,718	\$ 160,660	\$ 143,889	\$ 117,803
Contributions in relation to the contractually required contribution	<u>502,106</u>	<u>415,670</u>	<u>358,761</u>	<u>291,917</u>	<u>243,084</u>	<u>205,452</u>	<u>173,718</u>	<u>160,660</u>	<u>143,889</u>	<u>117,803</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Town's covered payroll	\$ 3,683,828	\$ 3,224,746	\$ 2,955,200	\$ 2,560,676	\$ 2,385,512	\$ 2,285,358	\$ 2,230,015	\$ 2,130,774	\$ 1,965,693	\$ 1,745,232
Contributions as a percentage of covered payroll	13.63%	12.89%	12.14%	11.40%	10.19%	8.99%	7.79%	7.54%	7.32%	6.75%

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

***General Fund:***

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

**Exhibit A-1**  
**Page 1 of 5**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
<b>Ad valorem taxes:</b>			
Taxes	\$ 11,307,651	\$ 11,972,923	\$ 665,272
Penalties and interest	-	48,729	48,729
Total	<u>11,307,651</u>	<u>12,021,652</u>	<u>714,001</u>
<b>Other taxes and licenses:</b>			
Gross receipts tax on short term rentals	103,000	107,401	4,401
Privilege licenses	-	1,600	1,600
Total	<u>103,000</u>	<u>109,001</u>	<u>6,001</u>
<b>Unrestricted intergovernmental:</b>			
Local option sales taxes	4,700,000	5,077,408	377,408
Utilities sales tax	1,496,000	1,458,799	(37,201)
Video franchise fee	255,000	222,264	(32,736)
Piped natural gas sales tax	-	170,019	170,019
Telecommunications sales tax	-	35,818	35,818
Beer and wine tax	190,000	174,450	(15,550)
ABC profit distribution	279,000	275,000	(4,000)
Total	<u>6,920,000</u>	<u>7,413,758</u>	<u>493,758</u>
<b>Restricted intergovernmental:</b>			
Powell Bill allocation	1,162,250	1,308,517	146,267
CRTPO grants	-	120,000	120,000
EECBG program	76,350	-	(76,350)
Solid waste disposal tax	34,000	33,672	(328)
Total	<u>1,272,600</u>	<u>1,462,189</u>	<u>189,589</u>
<b>Permits and fees:</b>			
Planning revenue	150,000	175,537	25,537
Fees	-	320	320
Total	<u>150,000</u>	<u>175,857</u>	<u>25,857</u>
<b>Sales and services</b>	<u>290,000</u>	<u>362,338</u>	<u>72,338</u>
<b>Investment earnings</b>	<u>1,615,000</u>	<u>1,430,193</u>	<u>(184,807)</u>
<b>Miscellaneous</b>	<u>34,314</u>	<u>124,999</u>	<u>90,685</u>
<b>TOTAL REVENUES</b>	<u>21,692,565</u>	<u>23,099,987</u>	<u>1,407,422</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

**Exhibit A-1**  
**Page 2 of 5**

	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES:</b>			
<b>General government:</b>			
Governing body:			
Salaries and employee benefits	-	108,438	-
Other operating expenditures	-	9,799	-
Total	<u>119,953</u>	<u>118,237</u>	<u>1,716</u>
Administration:			
Salaries and employee benefits	-	296,168	-
Contracted services	-	304,610	-
Other operating expenditures	-	392,417	-
Total	<u>1,118,285</u>	<u>993,195</u>	<u>125,090</u>
Finance:			
Salaries and employee benefits	-	350,205	-
Contracted services	-	39,460	-
Other operating expenditures	-	9,707	-
Total	<u>403,275</u>	<u>399,372</u>	<u>3,903</u>
Tax:			
Salaries and employee benefits	-	295,219	-
Other operating expenditures	-	39,542	-
Total	<u>340,670</u>	<u>334,761</u>	<u>5,909</u>
Human Resources:			
Salaries and employee benefits	-	377,544	-
Contracted services	-	3,199	-
Other operating expenditures	-	168,708	-
Total	<u>576,779</u>	<u>549,451</u>	<u>27,328</u>
Legal Cost Center:			
Contracted services	<u>96,000</u>	<u>89,551</u>	<u>6,449</u>
Communications and IT:			
Salaries and employee benefits	-	268,517	-
Contracted services	-	133,556	-
Capital outlay	-	133,830	-
Other operating expenditures	-	185,167	-
Total	<u>775,763</u>	<u>721,070</u>	<u>54,693</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

**Exhibit A-1**  
**Page 3 of 5**

	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES - CONTINUED:</b>			
Facilities:			
Salaries and employee benefits	-	620,008	-
Contracted services	-	154,010	-
Capital outlay	-	384,824	-
Other operating expenditures	-	544,954	-
Total	<u>3,175,771</u>	<u>1,703,796</u>	<u>1,471,975</u>
<b>Total general government</b>	<u>6,606,496</u>	<u>4,909,433</u>	<u>1,697,063</u>
<b>Public safety:</b>			
Police:			
Contracted services	<u>4,659,494</u>	<u>4,659,494</u>	-
<b>Total public safety</b>	<u>4,659,494</u>	<u>4,659,494</u>	-
<b>Transportation:</b>			
Engineering:			
Salaries and employee benefits	-	336,577	-
Contracted services	-	78,402	-
Other operating expenditures	-	1,003,685	-
Total	<u>1,551,190</u>	<u>1,418,664</u>	<u>132,526</u>
Powell Bill:			
Other operating expenditures	<u>6,634,641</u>	<u>3,911,666</u>	<u>2,722,975</u>
Public Works:			
Salaries and employee benefits	-	710,180	-
Contracted services	-	160,825	-
Capital outlay	-	324,528	-
Other operating expenditures	-	585,846	-
Total	<u>2,272,882</u>	<u>1,781,379</u>	<u>491,503</u>
<b>Total transportation</b>	<u>10,458,713</u>	<u>7,111,709</u>	<u>3,347,004</u>
<b>Economic and physical development:</b>			
Planning:			
Salaries and employee benefits	-	695,898	-
Other operating expenditures	-	21,960	-
Total	<u>735,316</u>	<u>717,858</u>	<u>17,458</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

**Exhibit A-1**  
**Page 4 of 5**

	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES - CONTINUED:</b>			
Code Enforcement:			
Salaries and employee benefits	-	150,693	-
Other operating expenditures	-	5,756	-
Total	<u>162,911</u>	<u>156,449</u>	<u>6,462</u>
Community and Economic Development:			
Contracted services	<u>119,500</u>	<u>19,500</u>	<u>100,000</u>
<b>Total economic and physical development</b>	<u>1,017,727</u>	<u>893,807</u>	<u>123,920</u>
<b>Environmental protection:</b>			
Salaries and employee benefits	-	91,992	-
Contracted services solid waste	-	3,136,535	-
Other operating expenditures	-	2,795	-
<b>Total environmental protection</b>	<u>3,458,730</u>	<u>3,231,322</u>	<u>227,408</u>
<b>Culture and recreation:</b>			
Salaries and employee benefits	-	658,235	-
Contracted services	-	54,467	-
Capital outlay	-	75,447	-
Other operating expenditures	-	369,116	-
<b>Total culture and recreation</b>	<u>1,341,225</u>	<u>1,157,265</u>	<u>183,960</u>
<b>Debt service:</b>			
Principal retirement	1,540,030	1,540,030	-
Interest and fees	<u>335,418</u>	<u>335,417</u>	<u>1</u>
<b>Total debt service</b>	<u>1,875,448</u>	<u>1,875,447</u>	<u>1</u>
<b>Contingency</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>29,417,833</u>	<u>23,838,477</u>	<u>5,579,356</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(7,725,268)</u>	<u>(738,490)</u>	<u>6,986,778</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

**Exhibit A-1**  
**Page 5 of 5**

	Final Budget	Actual	Variance Positive (Negative)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers from other funds	10,164,097	7,256,933	(2,907,164)
Transfers to other funds	(11,741,252)	(7,294,623)	4,446,629
Sale of capital assets	<u>22,500</u>	<u>71,613</u>	<u>49,113</u>
Total	<u>(1,554,655)</u>	<u>33,923</u>	<u>1,588,578</u>
<b>REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES</b>	(9,279,923)	(704,567)	8,575,356
<b>APPROPRIATED FUND BALANCE</b>	<u>9,279,923</u>	-	<u>(9,279,923)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	(704,567)	<u>\$ (704,567)</u>
<b>FUND BALANCE, beginning</b>		<u>27,652,811</u>	
<b>FUND BALANCE, ending</b>		<u>\$ 26,948,244</u>	

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**June 30, 2025**

**Exhibit B-1**

	US 74 Multi- Use Path and South Fork Crooked Creek Greenway Project Fund	Indian Trail Road Complete Street Project Fund	Parks and Recreational Regional Economic Grant Special Revenue Fund	Chestnut Square Park Access Road Capital Project Fund	Chestnut Square Park Phase 2 Capital Project Fund	Indian Trail Complete Street Phase 2 Capital Project Fund	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	260,241	-	-	-	260,241
Due from other governments	-	1,183,320	-	-	-	-	1,183,320
Due from other funds	870	93,527	-	8,100	-	2,264	104,761
<b>TOTAL ASSETS</b>	<u>\$ 870</u>	<u>\$ 1,276,847</u>	<u>\$ 260,241</u>	<u>\$ 8,100</u>	<u>\$ -</u>	<u>\$ 2,264</u>	<u>\$ 1,548,322</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 870	\$ 11,954	\$ -	\$ 8,100	\$ -	\$ 2,264	\$ 23,188
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>870</u>	<u>11,954</u>	<u>-</u>	<u>8,100</u>	<u>-</u>	<u>2,264</u>	<u>23,188</u>
<b>FUND BALANCES</b>							
Restricted:							
Capital projects	-	1,264,893	260,241	-	-	-	1,525,134
Other purposes	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>1,264,893</u>	<u>260,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,525,134</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 870</u>	<u>\$ 1,276,847</u>	<u>\$ 260,241</u>	<u>\$ 8,100</u>	<u>\$ -</u>	<u>\$ 2,264</u>	<u>\$ 1,548,322</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**

**Exhibit B-2**

**For the Year Ended June 30, 2025**

	US 74 Multi- Use Path and South Fork Crooked Creek Greenway Project Fund	Indian Trail Road Complete Street Project Fund	Parks and Recreational Regional Economic Grant Special Revenue Fund	Chestnut Square Park Access Road Capital Project Fund	Chestnut Square Park Phase 2 Capital Project Fund	Indian Trail Complete Street Phase 2 Capital Project Fund	Totals
<b>REVENUES:</b>							
Restricted intergovernmental	\$ -	\$ 1,183,320	\$ 250,000	\$ -	\$ -	\$ -	\$ 1,433,320
Investment earnings	-	-	10,241	-	-	-	10,241
<b>TOTAL REVENUES</b>	<u>-</u>	<u>1,183,320</u>	<u>260,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,443,561</u>
<b>EXPENDITURES:</b>							
Capital outlay	34,440	1,553,870	-	8,100	745,567	17,623	2,359,600
<b>TOTAL EXPENDITURES</b>	<u>34,440</u>	<u>1,553,870</u>	<u>-</u>	<u>8,100</u>	<u>745,567</u>	<u>17,623</u>	<u>2,359,600</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(34,440)</u>	<u>(370,550)</u>	<u>260,241</u>	<u>(8,100)</u>	<u>(745,567)</u>	<u>(17,623)</u>	<u>(916,039)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers from other funds	39,440	513,124	-	8,100	745,567	17,623	1,323,854
Transfers to other funds	-	-	-	-	-	-	-
	<u>39,440</u>	<u>513,124</u>	<u>-</u>	<u>8,100</u>	<u>745,567</u>	<u>17,623</u>	<u>1,323,854</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,000	142,574	260,241	-	-	-	407,815
<b>FUND BALANCES, beginning</b>	<u>(5,000)</u>	<u>1,122,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,117,319</u>
<b>FUND BALANCES, ending</b>	<u>\$ -</u>	<u>\$ 1,264,893</u>	<u>\$ 260,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,525,134</u>

***Capital Project Funds:***

- Capital Reserve and Debt Service Fund
- Bond Capital Project Fund
- Chestnut Extension Capital Project Fund
- US 74 Multi-Use Path and South Fork Crooked Creek Greenway Project Fund
- Indian Trail Road Complete Street Project Fund
- Capital Reserve Fund
- Chestnut Square Park Access Road Capital Project Fund
- Chestnut Square Park Phase 2 Capital Project Fund
- Indian Trail Complete Street Phase 2 Capital Project Fund

***Special Revenue Funds:***

- American Rescue Plan Act Special Revenue Fund
- SCIF Grant for Capital Improvements Special Revenue Fund
- Parks and Recreational Regional Economic Grant Special Revenue Fund

**TOWN OF INDIAN TRAIL, NORTH CAROLINA  
CAPITAL RESERVE AND DEBT SERVICE FUND**

**Exhibit B-3**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2025**

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ 713,490	\$ 313,564	\$ 1,027,054	\$ 1,027,054
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers from other funds	15,121,977	26,630,048	3,240,162	29,870,210	14,748,233
Transfers to other funds	<u>(15,121,977)</u>	<u>(20,258,246)</u>	<u>(3,442,169)</u>	<u>(23,700,415)</u>	<u>(8,578,438)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>6,371,802</u>	<u>(202,007)</u>	<u>6,169,795</u>	<u>6,169,795</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 7,085,292</u>	111,557	<u>\$ 7,196,849</u>	<u>\$ 7,196,849</u>
<b>FUND BALANCE, beginning</b>			<u>7,085,292</u>		
<b>FUND BALANCE, ending</b>			<u>\$ 7,196,849</u>		

**TOWN OF INDIAN TRAIL, NORTH CAROLINA  
BOND CAPITAL PROJECT FUND**

**Exhibit B-4**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2025**

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ 887,396	\$ 137,259	\$ 1,024,655	\$ 1,024,655
<b>EXPENDITURES:</b>					
Debt service	163,000	160,991	-	160,991	2,009
Contracted services	152,783	152,783	-	152,783	-
<b>TOTAL EXPENDITURES</b>	<b>315,783</b>	<b>313,774</b>	<b>-</b>	<b>313,774</b>	<b>2,009</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(315,783)</b>	<b>573,622</b>	<b>137,259</b>	<b>710,881</b>	<b>1,026,664</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
2012 General Obligation Bonds Proceeds	3,000,000	3,000,000	-	3,000,000	-
2013 General Obligation Bonds Proceeds	8,113,087	8,113,087	-	8,113,087	-
2019 General Obligation Bonds Proceeds	2,500,000	2,500,000	-	2,500,000	-
2021 General Obligation Bonds Proceeds	6,847,515	6,847,515	-	6,847,515	-
Transfers to other funds	(20,144,819)	(15,469,820)	(2,646,019)	(18,115,839)	2,028,980
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>315,783</b>	<b>4,990,782</b>	<b>(2,646,019)</b>	<b>2,344,763</b>	<b>2,028,980</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 5,564,404</b>	<b>(2,508,760)</b>	<b>\$ 3,055,644</b>	<b>\$ 3,055,644</b>
<b>FUND BALANCE, beginning</b>			<b>5,564,404</b>		
<b>FUND BALANCE, ending</b>			<b>\$ 3,055,644</b>		

TOWN OF INDIAN TRAIL, NORTH CAROLINA  
 CHESTNUT EXTENSION CAPITAL PROJECT FUND

Exhibit B-5

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 From Inception and for the Year Ended June 30, 2025

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Miscellaneous	\$ -	\$ -	\$ 2,263	\$ 2,263	\$ 2,263
<b>EXPENDITURES:</b>					
Capital outlay:					
Construction	7,926,890	1,980,873	2,108,023	4,088,896	3,837,994
Design	500,000	489,044	-	489,044	10,956
Right-of-way	1,038,000	1,016,706	19,926	1,036,632	1,368
<b>TOTAL EXPENDITURES</b>	<b>9,464,890</b>	<b>3,486,623</b>	<b>2,127,949</b>	<b>5,614,572</b>	<b>3,850,318</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds	9,464,890	3,486,623	2,126,985	5,613,608	(3,851,282)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,299</b>	<b>\$ 1,299</b>	<b>\$ 1,299</b>
<b>FUND BALANCE, beginning</b>			-		
<b>FUND BALANCE, ending</b>			<b>\$ 1,299</b>		

US 74 MULTI-USE PATH AND SOUTH FORK CROOKED CREEK GREENWAY PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2025

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental	\$ 3,992,000	\$ 3,886	\$ -	\$ 3,886	\$ (3,988,114)
<b>EXPENDITURES:</b>					
Transportation and capital outlay:					
Design	145,000	79,320	34,440	113,760	31,240
Right-of-way	250,000	33,300	-	33,300	216,700
Construction	4,735,131	-	-	-	4,735,131
<b>TOTAL EXPENDITURES</b>	<b>5,130,131</b>	<b>112,620</b>	<b>34,440</b>	<b>147,060</b>	<b>4,983,071</b>
<b>REVENUES UNDER EXPENDITURES</b>	<b>(1,138,131)</b>	<b>(108,734)</b>	<b>(34,440)</b>	<b>(143,174)</b>	<b>994,957</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds	1,138,131	103,734	39,440	143,174	(994,957)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (5,000)</b>	<b>5,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, beginning</b>			<b>(5,000)</b>		
<b>FUND BALANCE, ending</b>			<b>\$ -</b>		

TOWN OF INDIAN TRAIL, NORTH CAROLINA  
INDIAN TRAIL ROAD COMPLETE STREET PROJECT FUND

Exhibit B-7

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2025

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years <i>(as restated)</i>	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental	\$ 6,611,600	\$ 50,000	\$ 1,183,320	\$ 1,233,320	\$ (5,378,280)
Miscellaneous	<u>2,524,000</u>	<u>2,524,000</u>	<u>-</u>	<u>2,524,000</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>9,135,600</u>	<u>2,574,000</u>	<u>1,183,320</u>	<u>3,757,320</u>	<u>(5,378,280)</u>
<b>EXPENDITURES:</b>					
Capital outlay:					
Design	1,050,000	791,700	149,451	941,151	108,849
Construction	14,635,362	-	1,200	1,200	14,634,162
Streetscape amenities	820,000	-	-	-	820,000
Right-of-way	<u>2,600,000</u>	<u>1,112,456</u>	<u>1,403,219</u>	<u>2,515,675</u>	<u>84,325</u>
<b>TOTAL EXPENDITURES</b>	<u>19,105,362</u>	<u>1,904,156</u>	<u>1,553,870</u>	<u>3,458,026</u>	<u>15,647,336</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,969,762)</u>	<u>669,844</u>	<u>(370,550)</u>	<u>299,294</u>	<u>10,269,056</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds	<u>9,969,762</u>	<u>452,475</u>	<u>513,124</u>	<u>965,599</u>	<u>(9,004,163)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 1,122,319</u>	<u>142,574</u>	<u>\$ 1,264,893</u>	<u>\$ 1,264,893</u>
<b>FUND BALANCE, beginning</b>			<u>1,122,319</u>		
<b>FUND BALANCE, ending</b>			<u>\$ 1,264,893</u>		

## CAPITAL RESERVE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2025

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Investment earnings	\$ -	\$ 256,946	\$ 371,727	\$ 628,673	\$ 628,673
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers from other funds	10,378,790	6,392,071	3,986,719	10,378,790	-
Transfers to other funds	<u>(10,378,790)</u>	<u>(206,300)</u>	<u>(121,130)</u>	<u>(327,430)</u>	<u>10,051,360</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>6,185,771</u>	<u>3,865,589</u>	<u>10,051,360</u>	<u>10,051,360</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 6,442,717</u>	<u>4,237,316</u>	<u>\$10,680,033</u>	<u>\$ 10,680,033</u>
<b>FUND BALANCE, beginning</b>			<u>6,442,717</u>		
<b>FUND BALANCE, ending</b>			<u>\$10,680,033</u>		

TOWN OF INDIAN TRAIL, NORTH CAROLINA  
 AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND

Exhibit B-9

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 From Inception and for the Year Ended June 30, 2025

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years <i>(as restated)</i>	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental	\$ 12,774,525	\$ 9,159,730	\$ 3,512,649	\$12,672,379	\$ (102,146)
Investment earnings	<u>640,282</u>	<u>599,833</u>	<u>77,510</u>	<u>677,343</u>	<u>37,061</u>
<b>TOTAL REVENUES</b>	13,414,807	9,759,563	3,590,159	13,349,722	(65,085)
<b>OTHER FINANCING USES:</b>					
Transfers to other funds	<u>(13,414,807)</u>	<u>(9,521,997)</u>	<u>(3,791,259)</u>	<u>(13,313,256)</u>	<u>101,551</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 237,566</u>	<u>(201,100)</u>	<u>\$ 36,466</u>	<u>\$ 36,466</u>
<b>FUND BALANCE, beginning, as previously reported</b>			599,833		
Error correction			<u>(362,267)</u>		
<b>FUND BALANCE, beginning, as restated</b>			<u>237,566</u>		
<b>FUND BALANCE, ending</b>			<u>\$ 36,466</u>		

## SCIF GRANT FOR CAPITAL IMPROVEMENTS SPECIAL REVENUE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2025

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental	\$ 10,000,000	\$10,000,000	\$ -	\$10,000,000	\$ -
Investment earnings	<u>1,322,296</u>	<u>930,032</u>	<u>455,054</u>	<u>1,385,086</u>	<u>62,790</u>
<b>TOTAL REVENUES</b>	11,322,296	10,930,032	455,054	11,385,086	62,790
<b>OTHER FINANCING USES:</b>					
Transfers to other funds	<u>(11,322,296)</u>	<u>(387,984)</u>	<u>(2,015,357)</u>	<u>(2,403,341)</u>	<u>8,918,955</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$10,542,048</u>	<u>(1,560,303)</u>	<u>\$ 8,981,745</u>	<u>\$ 8,981,745</u>
<b>FUND BALANCE, beginning</b>			<u>10,542,048</u>		
<b>FUND BALANCE, ending</b>			<u>\$ 8,981,745</u>		

PARKS AND RECREATIONAL REGIONAL ECONOMIC GRANT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>REVENUES:</b>					
Restricted intergovernmental	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -
Investment earnings	-	-	10,241	10,241	10,241
<b>TOTAL REVENUES</b>	250,000	-	260,241	260,241	10,241
<b>OTHER FINANCING USES:</b>					
Transfers to other funds	(250,000)	-	-	-	250,000
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	260,241	<u>\$ 260,241</u>	<u>\$ 260,241</u>
<b>FUND BALANCE, beginning</b>			-		
<b>FUND BALANCE, ending</b>			<u>\$ 260,241</u>		

CHESTNUT SQUARE PARK ACCESS ROAD CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>EXPENDITURES:</b>					
Capital outlay:					
Design	\$ 50,000	\$ -	\$ 8,100	\$ 8,100	\$ 41,900
Construction	<u>893,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>893,300</u>
<b>TOTAL EXPENDITURES</b>	943,300	-	8,100	8,100	935,200
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds	<u>943,300</u>	<u>-</u>	<u>8,100</u>	<u>8,100</u>	<u>(935,200)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE, beginning</b>			<u>-</u>		
<b>FUND BALANCE, ending</b>			<u>\$ -</u>		

**TOWN OF INDIAN TRAIL, NORTH CAROLINA  
CHESTNUT SQUARE PARK PHASE 2 CAPITAL PROJECT FUND**

**Exhibit B-13**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2025**

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>EXPENDITURES:</b>					
Capital outlay:					
Design	\$ 337,000	\$ 294,688	\$ 4,238	\$ 298,926	\$ 38,074
Construction	<u>7,163,000</u>	<u>2,151,385</u>	<u>741,329</u>	<u>2,892,714</u>	<u>4,270,286</u>
<b>TOTAL EXPENDITURES</b>	7,500,000	2,446,073	745,567	3,191,640	4,308,360
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds	<u>7,500,000</u>	<u>2,446,073</u>	<u>745,567</u>	<u>3,191,640</u>	<u>(4,308,360)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE, beginning</b>			<u>-</u>		
<b>FUND BALANCE, ending</b>			<u>\$ -</u>		

INDIAN TRAIL COMPLETE STREET PHASE 2 CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2025

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>EXPENDITURES:</b>					
Capital outlay:					
Design	\$ 720,000	\$ 320,971	\$ 17,623	\$ 338,594	\$ 381,406
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds	<u>720,000</u>	<u>320,971</u>	<u>17,623</u>	<u>338,594</u>	<u>(381,406)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE, beginning</b>			<u>-</u>		
<b>FUND BALANCE, ending</b>			<u>\$ -</u>		

***Enterprise Fund:***

The Stormwater Fund is used to account for the Town's stormwater activities.

***Enterprise Capital Project Fund:***

- Shady Bluff Roadway Improvements Project Fund

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND**  
**ACTUAL (NON-GAAP) - STORMWATER FUND**  
**For the Year Ended June 30, 2025**

**Exhibit C-1**  
**Page 1 of 2**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Operating Revenues:			
Stormwater management fee	\$ 1,625,000	\$ 1,635,498	\$ 10,498
Nonoperating Revenues:			
Investment earnings	1,500	2,864	1,364
<b>TOTAL REVENUES</b>	<u>1,626,500</u>	<u>1,638,362</u>	<u>11,862</u>
<b>EXPENDITURES:</b>			
Administration:			
Administrative expenditures	40,995	22,881	18,114
Stormwater Operations:			
Salaries and employee benefits	-	504,176	-
Contracted maintenance	-	179,545	-
Other operating expenditures	-	6,047	-
Total	<u>808,300</u>	<u>689,768</u>	<u>118,532</u>
Capital outlay	<u>3,964,948</u>	<u>2,303,163</u>	<u>1,661,785</u>
<b>TOTAL EXPENDITURES</b>	<u>4,814,243</u>	<u>3,015,812</u>	<u>1,798,431</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(3,187,743)</u>	<u>(1,377,450)</u>	<u>1,810,293</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers from other funds	1,560,124	1,526,525	(33,599)
Transfers to other funds	(242,673)	(162,256)	80,417
Disposal of capital assets	-	45,180	45,180
	<u>1,317,451</u>	<u>1,409,449</u>	<u>91,998</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(1,870,292)</u>	<u>31,999</u>	<u>1,902,291</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>1,870,292</u>	<u>-</u>	<u>(1,870,292)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 31,999</u>	<u>\$ 31,999</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND**  
**ACTUAL (NON-GAAP) - STORMWATER FUND**  
**For the Year Ended June 30, 2025**

**RECONCILIATION FROM BUDGETARY BASIS**  
**(MODIFIED ACCRUAL) TO FULL ACCRUAL:**

NET CHANGE IN FUND BALANCE	\$ 31,999
 <b>RECONCILING ITEMS:</b>	
Capital outlay	2,303,163
Depreciation	(464,712)
Transactions from Shady Bluff Roadway Improvements Project Fund:	
Transfers	11,635
<b>CHANGE IN NET POSITION (EXHIBIT 7)</b>	<b>\$ 1,882,085</b>

SHADY BLUFF ROADWAY IMPROVEMENTS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2025

	Project Authorization <i>(as amended)</i>	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>EXPENDITURES:</b>					
Capital outlay:					
Design	\$ 36,649	\$ 25,014	\$ 11,635	\$ 36,649	\$ -
<b>OTHER FINANCING SOURCES:</b>					
Transfer from other funds	<u>36,649</u>	<u>25,014</u>	<u>11,635</u>	<u>36,649</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE, beginning</b>			<u>-</u>		
<b>FUND BALANCE, ending</b>			<u>\$ -</u>		

**OTHER SCHEDULES**

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**June 30, 2025**

**Exhibit D-1**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2024</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2025</u>
2024-2025	\$ -	\$ 11,978,558	\$ 11,952,781	\$ 25,777
2023-2024	13,754	-	8,170	5,584
2022-2023	9,780	-	2,152	7,628
2021-2022	3,855	-	421	3,434
2020-2021	6,813	-	393	6,420
2019-2020	7,594	-	447	7,147
2018-2019	3,144	-	46	3,098
2017-2018	2,646	-	15	2,631
2016-2017	2,715	-	-	2,715
2015-2016	2,781	-	297	2,484
2014-2015	2,349	-	2,349	-
	<u>\$ 55,431</u>	<u>\$ 11,978,558</u>	<u>\$ 11,967,071</u>	<u>\$ 66,918</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 12,021,652
Reconciling items:	
Interest and penalties collected	(48,729)
Taxes written off	2,367
Other adjustments	(8,106)
Collection of taxes previously written off	<u>(113)</u>
Total collections and credits	<u>\$ 11,967,071</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY - TOWN-WIDE LEVY**  
**For the Year Ended June 30, 2025**

**Exhibit D-2**

	Town-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 6,488,073,398	\$ 0.185	\$ 12,002,909	\$ 10,691,982	\$ 1,310,927
Deferred taxes at current year's rate	525,389	0.185	972	972	-
Deferred taxes at prior years' rate	-	0.185	-	-	-
Penalties and adjustments	-		(292)	(292)	-
Total	<u>6,488,598,787</u>		<u>12,003,589</u>	<u>10,692,662</u>	<u>1,310,927</u>
Discoveries:					
Current year taxes	30,908,005	0.185	57,180	57,180	-
Prior year taxes	-		-	-	-
Total	<u>30,908,005</u>		<u>57,180</u>	<u>57,180</u>	<u>-</u>
Releases	<u>(44,438,368)</u>		<u>(82,211)</u>	<u>(82,211)</u>	<u>-</u>
Total property valuation	<u>\$ 6,475,068,424</u>				
Net levy			11,978,558	10,667,631	1,310,927
Unpaid (by taxpayer) taxes at June 30, 2025			<u>(25,777)</u>	<u>(25,777)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 11,952,781</u>	<u>\$ 10,641,854</u>	<u>\$ 1,310,927</u>
Current levy collection percentage			<u>99.78%</u>	<u>99.76%</u>	<u>100.00%</u>

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**TEN LARGEST TAXPAYERS**  
**For the Year Ended June 30, 2025**

**Exhibit D-3**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Utility Lines Construction Services	Utilities contractor	\$ 72,872,259	1.13%
American Homes for Rent	Real estate	70,652,600	1.09%
Harris Teeter, LLC	Distribution center	56,087,741	0.87%
Chestnut Park Acquisition LP	Real estate	46,398,162	0.72%
Poplin Haus, LLC	Real estate	43,505,205	0.67%
Invitation Homes	Real estate	36,980,043	0.57%
Berry Plastics Corporation	Manufacturer	34,827,568	0.54%
Progress Residential	Real estate	34,726,562	0.54%
FKH SFR	Real estate	34,695,135	0.54%
Sedgefield Downs at Indian Trail, LLC	Real estate	<u>32,944,703</u>	<u>0.51%</u>
		<u>\$ 463,689,978</u>	<u>7.16%</u>

**COMPLIANCE SECTION**

# J. B. WATSON & CO., P.L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

120 SOUTH RUTHERFORD STREET

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WADESBORO, N.C. 28170

TELEPHONE (704) 694-5174

## INDEPENDENT AUDITORS' 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*

To the Honorable Mayor and  
Members of the Town Council  
Town of Indian Trail, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Indian Trail, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Town of Indian Trail, North Carolina's basic financial statements, and have issued our report thereon dated December 1, 2025. Our report includes a reference to other auditors who audited the financial statements of Town of Indian Trail Alcoholic Beverage Control Board, as described in our report on Town of Indian Trail, North Carolina's financial statements. The financial statements of Town of Indian Trail Alcoholic Beverage Control Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

### Report on Internal Control Over Financial Reporting

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

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

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Indian Trail, North Carolina'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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



Wadesboro, North Carolina

December 1, 2025

# **J. B. WATSON & CO., P.L.L.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

120 SOUTH RUTHERFORD STREET

P. O. BOX 341

WADESBORO, N.C. 28170

TELEPHONE (704) 694-5174

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Honorable Mayor and  
Members of the Town Council  
Town of Indian Trail, North Carolina

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Town of Indian Trail, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Town of Indian Trail, North Carolina's major federal programs for the year ended June 30, 2025. Town of Indian Trail, North Carolina's major federal program(s) are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Indian Trail, North Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Indian Trail, North Carolina and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Indian Trail, North Carolina's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Indian Trail, North Carolina's federal programs.

## *Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Indian Trail, North Carolina's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS), *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Indian Trail, North Carolina's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Indian Trail, North Carolina's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Indian Trail, North Carolina's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Town of Indian Trail, North Carolina's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

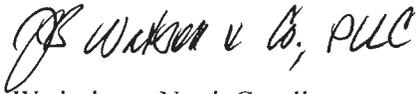
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.



Wadesboro, North Carolina  
December 1, 2025

# **J. B. WATSON & CO., P.L.L.C.**

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Honorable Mayor and  
Members of the Town Council  
Town of Indian Trail, North Carolina

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

We have audited Town of Indian Trail, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Town of Indian Trail, North Carolina's major state programs for the year ended June 30, 2025. Town of Indian Trail, North Carolina's major state program(s) are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Indian Trail, North Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Indian Trail, North Carolina and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Town of Indian Trail, North Carolina's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Indian Trail, North Carolina's state programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Indian Trail, North Carolina's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS), *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Indian Trail, North Carolina's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Indian Trail, North Carolina's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Indian Trail, North Carolina's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Town of Indian Trail, North Carolina's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**Purpose of This Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.



Wadesboro, North Carolina  
December 1, 2025

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2025**

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**Section I - Summary of Auditors' Results**

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**Financial Statements**

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

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

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

Identification of major federal program(s):

<u>Assistance Listing No.</u>	<u>Name(s) of Federal Program or Cluster</u>
20.205	Highway Planning, Research, and Construction Cluster
21.027	Coronavirus State & Local Fiscal Recovery Fund

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

Auditee qualified as low-risk auditee? Yes

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major state program(s):

<u>Program Name</u>
Powell Bill
State Capital Infrastructure Fund (SCIF)

Dollar threshold used to determine a state major program \$500,000

Auditee qualified as state low-risk auditee? Yes

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**Section II - Financial Statement Findings**

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None.

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**Section III - Federal Award Findings and Questioned Costs**

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None reported.

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**Section IV - State Award Findings and Questioned Costs**

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None reported.

**MAYOR**  
David Cohn

**MAYOR PRO TEM**  
Dennis Gay

**TOWN MANAGER**  
Michael McLaurin



**TOWN COUNCIL**  
Clarence Alsobrooks  
Tom Amburgey  
Todd Barber  
Crystal Buchaluk

**TOWN CLERK**  
Trena Sims

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**CORRECTIVE ACTION PLAN**  
**For the Year Ended June 30, 2025**

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**Section II - Financial Statement Findings**

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None reported.

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**Section III - Federal Award Findings and Questioned Costs**

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None reported.

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**Section IV - State Award Findings and Questioned Costs**

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None reported.

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended June 30, 2025**

**None reported.**

**TOWN OF INDIAN TRAIL, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2025**

Grantor/Pass-Through Grantor/Program Title	Federal	State/	Grant Funds Expended		
	Assistance Listing Number	Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Grants:</b>					
<u>U.S. Department of Transportation</u>					
<i>Federal Highway Administration</i>					
Highway Planning, Research, and Construction Cluster:					
Passed-through N.C. Department of Transportation:					
Passed-through Charlotte Regional Transportation Planning Organization:					
Surface Transportation Block Grant -					
Direct Attributable (STBG-DA)	20.205		\$ 1,183,320	\$ -	\$ 451,059
Highway Planning and Construction Program	20.205-4		-	-	34,440
Metropolitan Planning Program	20.205-5		42,000	-	10,500
			<u>1,225,320</u>	<u>-</u>	<u>495,999</u>
<u>U.S. Department of Treasury</u>					
Coronavirus State & Local Fiscal Recovery Fund	21.027		3,512,649	-	-
<u>U.S. Department of Energy</u>					
Energy Efficiency & Conservation Block Grant	81.128		76,350	-	-
<b>Total assistance - federal programs</b>			<u>4,814,319</u>	<u>-</u>	<u>495,999</u>
<b>State Grants:</b>					
<u>N.C. Department of Transportation</u>					
Powell Bill			-	1,916,044	-
<u>Office of State Budget and Management</u>					
State Capital Infrastructure Fund (SCIF)		11091	-	2,015,357	-
<b>Total assistance - state programs</b>			<u>-</u>	<u>3,931,401</u>	<u>-</u>
<b>Total assistance</b>			<u>\$ 4,814,319</u>	<u>\$ 3,931,401</u>	<u>\$ 495,999</u>

**Notes to the Schedule of Expenditures of Federal and State Awards:**

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Town of Indian Trail under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Because the schedule presents only a select portion of the operations of Town of Indian Trail, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Town of Indian Trail.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Powell Bill Reconciliation

Reconciliation of Powell Bill expenses reported on this schedule to amounts reported on the Powell Bill report submitted to the State:

Total expenditures per Powell Bill Report submitted - Cash Basis	\$ 1,916,044
Transfers from SCIF Grant for Capital Improvements Special Revenue Fund	1,995,622
Total Powell Bill Expenditures per Exhibit A-1 (page 43)	<u>\$ 3,911,666</u>

Reconciliation of Powell Bill cash balance to fund balance:

Cash per Powell Bill Report submitted - Cash Basis	\$ 633,077
Sales tax receivable	67,050
Accounts payable	(38,144)
Interfund transfers and reconciling items	679,279
Powell Bill Fund Balance, June 30, 2025	<u>\$ 1,341,262</u>