



**Town of Micro**  
**Board of Commissioners Meeting AGENDA**  
**Tuesday –April 14, 2026**  
**7:00 p.m.**  
**Micro Town Hall**

**1. CALL TO ORDER**

- Call to Order
- Pledge of Allegiance
- Invocation

**2. PUBLIC COMMENT**

**3. ADJUSTMENT/ADOPTION OF THE AGENDA**

- a. Adjustments to the Agenda
- b. Adoption of the Agenda

**POTENTIAL ACTION:** Adoption of Agenda

**4. CONSENT AGENDA**

*(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Board may request to have an item removed from the consent agenda for further discussion.)*

- a. Draft Minutes
  - *March 10, 2026 – Regular Session*
  - *March 19, 2026 – Special Meeting*
  - *March 26, 2026 – Special Meeting*
- b. Certificate of Sufficiency Annexation #2026-14-ANX - Bizzell Grove Tract
  - *Certificate of Sufficiency*
- c. Resolution to Set Public Hearing Annexation #2026-14-ANX – Bizzell Grove Tract
  - *Resolution #2026-08 – Set Public Hearing for May 12, 2026*

**POTENTIAL ACTION:** Adoption of Consent Agenda as Presented

**5. SPECIAL PRESENTATION/INTRODUCTIONS**

- a. '24-'25 Audit Presentation  
*Presenter: Lee Grissom, S. Preston Douglas & Associates*

**POTENTIAL ACTION:** Acceptance of '24-'25 Audit

**6. FINANCIAL & WATER SEWER REPORT**

- a. Billing Adjustment Report  
*Presenter: Christy Thomas, Finance Officer*
  - *March 2026 Report*
- b. Monthly Financial Report Update  
*Presenter: Christy Thomas, Finance Officer*
  - *General Ledger*
  - *Budget to Actual*

- c. Water Sewer Report  
*Presenter: Jason Banks, Public Works Director*

## 7. PLANNING BOARD REPORT

- a. Planning Board Report  
*Presenter: Planning Board Representative*

**POTENTIAL ACTION:** No Report - March meeting cancelled due lack of action items

## 8. OLD BUSINESS

## 9. PUBLIC HEARINGS

## 10. NEW BUSINESS

- a. Outdoor Burning Ordinance DRAFT  
*Presenter: Kimberly Moffett, Town Clerk*
  - *Outdoor Burning – Chapter 11*

**POTENTIAL ACTION:** Provide Direction to Staff

- b. Off Road/ATV/Dirt Bike Ordinance DRAFT  
*Presenter: Kimberly Moffett, Town Clerk*
  - *Off Road/ATV/Dirt Bikes – Chapter 12*

**POTENTIAL ACTION:** Provide Direction to Staff

- c. Golf Cart Ordinance DRAFT  
*Presenter: Kimberly Moffett, Town Clerk*
  - *Golf Cart – Chapter 13*

**POTENTIAL ACTION:** Provide Direction to Staff

## 11. COMMISSIONER REPORTS

- a. Special Events Report  
*Presenter: Katy Garcia, Commissioner*
  - *Bridge Dedication for Dr. James W. Batten – April 18, 2026*

**POTENTIAL ACTION:** None - Informational Only

## 12. CLOSED SESSION

## 13. ADJOURNMENT

- a. Adjourn the Meeting

**POTENTIAL ACTION:** Motion to Adjourn



**Town of Micro  
Board of Commissioners Meeting MINUTES  
Tuesday -March 10, 2026  
7:00 p.m.  
Micro Town Hall**

**Elected Officials Present:**

Marty Parnell, Mayor  
Tim Earp, Mayor Pro Tem  
Kevin Worley, Commissioner  
Katy Garcia, Commissioner

**Others Present:**

Kimberly Moffett, Town Clerk

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**1. CALL TO ORDER**

- Call to Order
- Pledge of Allegiance
- Invocation

Mayor Parnell called the meeting to order at 7:00 p.m. He led everyone in the Pledge of Allegiance and offered the Invocation.

**2. PUBLIC COMMENT**

A representative from Johnston County Health Department was present and shared information about meals and stated those people born prior to 1957 may have immunity but it is possible others may need an immunization booster. It was stated a blood draw could provide more detailed information. Also shared was information regarding Narcan, which is used for an opioid overdose. A supply of Narcan was left with town staff.

Johnston County Commissioner Godwin was present and stated he had recently attended a meeting in Kenly with reference to the proposed shared cost fire tax and it was stated that Kenly would most likely be requesting that the County take over the fire district, as the town would not be able to afford the proposed increase. Additional discussion was held regarding options of more than a 5-year phase in period. It was stated that paid staff vs. volunteers have been main cause of such a significant increase in budgets. It was stated that Micro would be holding a meeting with Ryan Parker and others to discuss Micro's concerns about proposed increase for the town.

**3. ADJUSTMENT/ADOPTION OF THE AGENDA**

a. Adjustments to the Agenda

It was requested that Item 8a be added to the agenda, with reference to acceptance of funding for the Lead/Copper Project.

b. Adoption of the Agenda

**ACTION:**

Adoption of Agenda with amendment as stated above

Motion:

Commissioner Worley

Second:

Mayor Pro Tem Earp

Vote:

Unanimous

#### 4. CONSENT AGENDA

*(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Board may request to have an item removed from the consent agenda for further discussion.)*

- a. Draft Minutes
  - [January 6, 2026](#)
  - [February 10, 2026](#)
- b. Resolution Directing Clerk to Certify Sufficiency #2026-14-ANX - Bizzell Grove Tract
  - [Certificate of Sufficiency](#)

**ACTION:**

Adoption of Consent Agenda as Presented

Motion: Commissioner Worley  
Second: Commissioner Garcia  
Vote: Unanimous

#### 5. SPECIAL PRESENTATION/INTRODUCTIONS

#### 6. FINANCIAL & WATER SEWER REPORT

- a. Billing Adjustment Report  
*Presenter:* Christy Thomas, Finance Officer

Ms. Moffett stated there were a total of 3 sewer adjustments requested due to leaks. Applications were completed and reviewed for a approval.

- b. Monthly Financial Report Update  
*Presenter:* Christy Thomas, Finance Officer

Ms. Moffett stated copies of both the general ledger and the budget to actual were included in the agenda packet that was sent out last week. She stated there was an increase in revenues for rental of the Community Building, interest income, administrative fees, non-payment fees, returned check fees and late fees.

- c. Water Sewer Report  
*Presenter:* Jason Banks, Public Works Director

Mayor Parnell stated there was a massive leak off of Railroad that was repaired and is now in good shape. Mayor Pro Tem Earp mentioned that it appeared there was an issue with a missing water meter at 202 W. Main Street.

#### 7. PLANNING BOARD REPORT

- a. Planning Board Report  
*Presenter:* Planning Board Representative

Ms. Moffett stated there was no report as there was no meeting held during the month of February.

#### 8. OLD BUSINESS

Acceptance of Funding for Copper Lead Project - Resolution #2026-06  
*Presenter:* Kimberly A. Moffett, Town Clerk

Ms. Moffett stated this Resolution would accept the funding for the Copper Lead Service Line Replacement Program. The funding is in the amount of \$ 289,400. The total cost to the town will be 2% closing costs in the amount of \$5,788.

**ACTION:** Adoption of Resolution #2026-06

Motion: Commissioner Garcia  
Second: Mayor Pro Tem Earp  
Vote: Unanimous

## 9. PUBLIC HEARINGS

## 10. NEW BUSINESS

- a. FY '26-'27 Budget Session #1 – March 26, 2026 @ 4:00 p.m.  
*Presenter:* Kimberly Moffett, Town Clerk

Ms. Moffett stated the first budget work session would be held on March 26, 2026 at 4:00 p.m. The public is invited to attend.

- b. Website ADA Compliance  
*Presenter:* Kimberly Moffett, Town Clerk

Ms. Moffett stated she recently attended a webinar regarding website ADA compliance. Municipalities with a population under 5,000 to ensure they are complying.

- c. Resolution Adopting Procurement Policy in Compliance with ARPA Requirements  
*Presenter:* Kimberly Moffett, Town Clerk

Ms. Moffett stated this procurement policy was required for ARPA projects.

**ACTION:** Adoption of Resolution #2026-02

Motion: Commissioner Worley  
Second: Mayor Pro Tem Earp  
Vote: Unanimous

- d. Resolution Adopting Record Retention Policy in Compliance with ARPA Requirements  
*Presenter:* Kimberly Moffett, Town Clerk

Ms. Moffett stated this record retention policy was required for ARPA projects.

**ACTION:** Adoption of Resolution #2026-03

Motion: Mayor Pro Tem Earp  
Second: Commissioner Garcia  
Vote: Unanimous

- e. Resolution Adopting Internal Control Policy in Compliance with ARPA Requirements  
*Presenter:* Kimberly Moffett, Town Clerk

Ms. Moffett stated this internal control policy was required for ARPA projects.

**ACTION:**

Adoption of Resolution #2026-04

Motion: Commissioner Garcia  
Second: Commissioner Worley  
Vote: Unanimous

**11. COMMISSIONER REPORTS**

- a. Special Events Report  
*Presenter:* Katy Garcia, Commissioner

Commissioner Garcia reported there would be no Easter Egg Hunt Celebration this year, due to the park being closed for renovation. The Community Building was offered as an alternative location; however, it was decided outdoors was a better choice for this event. Everyone looks forward to the event in 2027.

Mayor Parnell stated the fence is back up He stated there were some issues with ditches and the tennis courts including cracks and washouts. These issues will be addressed shortly. He stated the concrete needs to be repaired prior to the fence going up in those areas. He also stated that Jason and Vernon are working on cleaning up trees and roots. It was stated the entire project will start to come together quickly.

**12. CLOSED SESSION**

**13. ADJOURNMENT**

- a. Adjourn the Meeting

With there being nothing further, the meeting was adjourned at 7:42 p.m.

**ACTION:**

Motion to Adjourn

Motion: Commissioner Garcia  
Second: Commissioner Worley  
Vote: Unanimous

Duly adopted this the 14<sup>th</sup> day of April 2026, while in regular session.

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Marty Parnell  
Mayor

ATTEST:

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Kimberly A. Moffett, CMC, NCCMC  
Town Clerk



**Town of Micro**  
**Board of Commissioners SPECIAL Meeting**  
**MINUTES**  
**Thursday, March 19, 2026**  
**5:00 p.m.**  
**Micro Public Works/Town Hall**

**Elected Officials Present:**

Marty Parnell, Mayor (via phone)  
Tim Earp, Mayor Pro Tem  
Kevin Worley, Commissioner

**Others Present:**

Kimberly Moffett, Town Clerk  
Joey Creech, Fire Chief (via phone)  
Trent Lassiter, D/Fire Chief  
Donnie Lassiter  
Ryan Parker, Johnston County/Fire Tax Committee  
Barry Stanley, Four Oaks/Fire Tax Committee  
Jordan Piper, Four Oaks/Fire Tax Committee

**1. CALL TO ORDER**

- Call to Order
- Pledge of Allegiance
- Invocation

The meeting was called to order by Mayor Pro Tem Earp at 5:00 p.m. He led everyone in the Pledge of Allegiance and offered the Invocation.

**2. NEW BUSINESS**

- a. The Board of Commissioners will meet with representatives from the Johnston County Fire Tax committee to gather additional information about the proposed shared fire tax cost.

Mayor Parnell provided an overview of the proposed Micro Fire Department budget. With the proposed budget, the Town of Micro's current fire tax share would be \$165,000, this would allow for a 5-year phase in period, meaning an increase each year of 20%. Mayor Parnell shared his deep concerns stating the town residents could not afford such a huge increase.

There was discussion regarding the county taking over Micro as part of the county fire district. It was stated there was a process that included the Town notifying the county via Resolution of such a request, a Resolution from the County approving that request, as well as notifications and a Public Hearing.

Discussion continued and it was stated that it may be of less cost to the residents of the Town of Micro to be part of the Johnston County Fire Protection. Mr. Parker stated he would share the town's concerns with the Johnston County Board of Commissioners.

It was stated that Micro Fire Department was scheduled to present their upcoming budget to the County on March 24, 2026 at 10:00 a.m.

### 3. ADJOURNMENT

a. Adjourn the Meeting

With there being nothing further, the meeting was adjourned at 5:35 p.m.

**ACTION:** Motion to Adjourn

Motion: Commissioner Worley

Second: Mayor Pro Tem Earp

Vote: Unanimous

Duly adopted this the 14<sup>th</sup> day of April, 2026 while in regular session.

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Marty Parnell  
Mayor

ATTEST:

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Kimberly A. Moffett, CMC, NCCMC  
Town Clerk



**Town of Micro**  
**Board of Commissioners SPECIAL Budget Work Session**  
**MINUTES**  
**Thursday – March 26, 2026**  
**4:00 p.m.**  
**Micro Town Hall**

**Elected Officials Present:**

Marty Parnell, Mayor  
Tim Earp, Mayor Pro Tem  
Kevin Worley, Commissioner

**Others Present:**

Lee Worsley, Central Pines COG  
Kimberly Moffett, Town Clerk  
Christy Thomas, Finance Officer  
Jason Banks, Public Works Director  
Joey Creech, Micro Fire Chief

**Elected Officials Absent:**

Katy Garcia, Commissioner

**1. CALL TO ORDER**

- Call to Order
- Pledge of Allegiance
- Invocation

Maor Parnell called the meeting to order at 4:25 p.m. He led everyone in the Pledge and offered the Invocation

**2. NEW BUSINESS**

- a. Recommendation for Appointment of Town of Micro Representative to the Johnston County Economic Development Board – Donnie Lassiter, Applicant

Ms. Moffett stated that Mr. Lassiter had applied for re-appointment to the Johnston County Economic Development Board. The county will make the final appointment; however, they request recommendations from the town.

**ACTION:** Recommend Appointment of Mr. Lassiter

Motion: Commissioner Worley

Second: Mayor Pro Tem Earp

Vote: Unanimous

- b. The Board of Commissioners will continued discussion/work on creation of the 2026-2027 Fiscal Year Budget. Mr. Lee Worsley of the Central Pines Council on Governments was present and facilitated the meeting.

Mr. Worsley stated the town was making great progress with fund balance. A draft budget was prepared, and a copy was provided to everyone. It was agreed that discussion would go line by line starting with the General Fund. Mr. Worsley stated that the property tax revenue figure included in the draft budget was obtained by applying the tax rate with the collection rate of 98.7%. A 2.2% COLA was included. With reference to expenditure there were no major changes noted. With reference to loans, the GO Bond will be paid off in 2027 and the USDA Loan for the public works building was a long-term loan, so that will not be paid off for quite some time. It was

stated that both loans should be in the utility fund and a budget amendment will be needed. There was a decrease in expenditure in the utility funds due to contracts that will not be in place next year. It was agreed that funding for PD vehicle maintenance be added to include \$500 for maintenance and \$100 for gas.

With proposed changes to the fire tax an expected amount of \$66,000 was included in the draft budget. There was a lengthy discussion regarding the Johnston County proposed cost share fire tax and the large increase needed to meet that proposed obligation. It was agreed that to be able to make a payment in that amount, there would need to be tax increase. It was stated that there have been numerous meetings with Johnston County Mayors related to this proposed cost share. There has been discussion about possibility of having Johnston County take over the fire district. No final decisions have been made. It was also agreed that a public meeting will be held in conjunction with the Fire Department to share details and information about the proposed Cost Share Fire Tax and what that may mean to the residents with reference to a possible tax increase.

There was lengthy discussion about numerous line items and several amendments were made. Mr. Worsley will add all these proposed changes and bring them back to the council for discussion at the next budget meeting.

It was agreed that the next budget meeting would be held on Thursday – April 9, 2026 at 5:30 p.m.

### 3. ADJOURNMENT

a. Adjourn the Meeting

With there being nothing further, the meeting was adjourned at 7:40 p.m.

**ACTION:**

Motion to Adjourn

Motion:

Commissioner Worley

Second:

Mayor Pro Tem Earp

Vote:

Unanimous

Duly adopted this the 14<sup>th</sup> day of April, 2026 while in regular session.

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Marty Parnell  
Mayor

ATTEST:

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Kimberly A. Moffett, CMC, NCCMC  
Town Clerk

**TOWN OF MICRO  
CERTIFICATE OF SUFFICIENCY  
Annexation Petition 2026-14-ANX**

To the Board of Commissioners of the Town of Micro, North Carolina:

I, Kimberly A. Moffett, Town Clerk, do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with N.C. G.S. 160A-58.1

In witness whereof, I have hereunto set my hand and affixed the seal of the Town of Micro, this the 14<sup>th</sup> day of April, 2026

*Kimberly A. Moffett*

\_\_\_\_\_  
Kimberly A. Moffett, CMC, NCCMC  
Town Clerk  
Town of Micro

**DESCRIPTION/ ADDRESS:**

ANNEXATION # 2026-14-ANX

Bizzell Grove Subdivision

Owners: RRT Development, LLC

Non-Contiguous; 125.6 (+/-) acres

PIN #'s 264600-11-9096 & 264600-11-0378

**DESCRIPTION/ ADDRESS:**

ANNEXATION # 2026-14-ANX  
Bizzell Grove Subdivision  
Owners: RRT Development, LLC  
Non-Contiguous; 125.6 (+/-) acres  
PIN #'s 264600-11-9096 & 264600-11-0378

**TOWN OF MICRO  
RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION  
OF ANNEXATION PURSUANT TO G. S.160A-58**

**WHEREAS**, a petition requesting annexation of the contiguous area described herein has been received; and

**WHEREAS**, the Board of Commissioners has by resolution directed the Town Clerk to investigate the sufficiency of the petition; and

**WHEREAS**, certification by the Town Clerk as to the sufficiency of the petition has been made;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Town of Micro, North Carolina that:

**Section 1.** A public hearing on the question of annexation of the contiguous area described herein will be held at Micro Public Works Building at 7:00 PM on Tuesday, May 12, 2026.

**Section 2.** Lying and being in the ETJ of Town of Micro, Johnston County, North Carolina and being more particularly described more fully as follows:

ANNEXATION AREA 1

BEGINNING AT AN EXISTING IRON PIPE IN THE NORTHERN MARGIN OF I-95 (A 260' WIDE R/W), SAID IRON PIPE HAVING NORTH CAROLINA GRID COORDINATES (N-660,927.96' E- 2,243,279.16')  
THENCE LEAVING SAID NORTHERN MARGIN OF I-95 N 04°08'25" E A DISTANCE OF 284.27' TO AN EXISTING CONCRETE MONUMENT;  
THENCE S 83°56'23" E A DISTANCE OF 66.00' TO AN EXISTING CONCRETE MONUMENT;  
THENCE N 02°05'41" W A DISTANCE OF 1,444.08' TO A POINT;  
THENCE N 85°05'38" W A DISTANCE OF 168.00' TO AN EXISTING CONCRETE MONUMENT;

THENCE N 00°35'39" W A DISTANCE OF 670.24' TO A POINT IN THE SOUTHERN MARGIN OF SEABOARD COASTLINE RAILROAD (A 130' WIDE R/W);  
THENCE CONTINUE ALONG SAID SOUTHERN MARGIN S 64°51'06" W A DISTANCE OF 2,689.70' TO A POINT IN THE EASTERN MARGIN OF BIZZELL GROVE CHURCH ROAD – S.R. 2141 (A 60' WIDE R/W);  
THENCE CONTINUE ALONG SAID EASTERN MARGIN OF S.R. 2141 THE FOLLOWING COURSES AND DISTANCES:  
S 12°02'38" E A DISTANCE OF 340.17' TO AN EXISTING IRON PIPE;  
S 15°35'54" E A DISTANCE OF 418.52' TO A POINT AT THE NORTHERN EDGE OF THE APPARENT DEED GAP BETWEEN DEED BOOK 3981, PAGE 948 AND DEED BOOK 3981, PAGE 933;  
S 14°09'45" E A DISTANCE OF 27.94' TO A POINT IN THE SOUTHERN EDGE OF SAID DEED GAP;  
S 15°43'59" E A DISTANCE OF 86.46' TO A POINT;  
S 16°25'54" E A DISTANCE OF 108.87' TO A POINT;  
S 20°08'36" E A DISTANCE OF 196.35' TO A POINT;  
S 30°15'57" E A DISTANCE OF 358.72' TO A POINT;  
S 67°59'02" E A DISTANCE OF 139.68' TO A POINT;  
S 35°28'37" E A DISTANCE OF 459.62' TO A POINT;  
THENCE LEAVING SAID EASTERN MARGIN OF S.R. 2141 S 75°19'30" E A DISTANCE OF 176.68' TO A POINT IN SAID NORTHERN MARGIN OF I-95;  
THENCE CONTINUE ALONG SAID NORTHERN MARGIN OF I-95 N 66°37'48" E A DISTANCE OF 1,650.97' TO AN EXISTING IRON PIPE;  
WHICH IS THE POINT OF BEGINNING,  
HAVING AN AREA OF 5,346,855 SQUARE FEET, 122.75 ACRES, MORE OR LESS, AND BEING SHOWN ON PLAT ENTITLED "SATELLITE ANNEXATION MAP FOR THE TOWN OF MICRO: BIZZELL GROVE TRACT" DATED MARCH 02, 2026, AND PREPARED BY MICHAEL S. STOKES, P.L.S. OF STOKES SURVEYING & MAPPING, PLLC.

## ANNEXATION AREA 2

BEGINNING AT A POINT IN THE EASTERN MARGIN OF BIZZELL GROVE CHURCH ROAD – S.R. 2141 (A 60' WIDE R/W), SAID POINT HAVING NORTH CAROLINA GRID COORDINATES (N- 662,319.72' E- 2,240,675.60') AND BEING LOCATED N 61°52'22" W A DISTANCE OF 2952.20' FROM AN EXISTING IRON PIPE, SAID IRON PIPE BEING THE SOUTHEAST CORNER OF ANNEXATION AREA 1;  
THENCE LEAVING SAID EASTERN MARGIN OF S.R. 2141 AND FOLLOWING THE NORTHERN MARGIN OF SEABOARD COASTLINE RAILROAD (A 130' WIDE R/W) N 64°51'06" E A DISTANCE OF 2,718.83' TO A POINT;  
THENCE LEAVING SAID NORTHERN MARGIN N 00°35'39" W A DISTANCE OF 48.56' TO A POINT ALONG THE SOUTHERN MARGIN OF HIGHWAY 301 (A 60' WIDE R/W);  
THENCE CONTINUE ALONG SAID NORTHERN MARGIN OF HIGHWAY 301 THE FOLLOWING COURSES AND DISTANCES:  
S 64°51'32" W A DISTANCE OF 2,172.73' TO A POINT;  
S 64°52'47" W A DISTANCE OF 174.24' TO A POINT;  
S 66°09'39" W A DISTANCE OF 100.96' TO A POINT;

S 68°33'53" W A DISTANCE OF 101.20' TO A POINT;  
S 70°44'14" W A DISTANCE OF 100.98' TO A POINT;  
THENCE LEAVING SAID SOUTHERN MARGIN OF HIGHWAY 301 S 72°19'15" W A DISTANCE  
OF 73.23' TO A POINT IN SAID EASTERN MARGIN OF S.R. 2141;  
THENCE CONTINUE ALONG SAID EASTERN MARGIN OF S.R. 2141 S 12°02'38" E A  
DISTANCE OF 75.22' TO A POINT; WHICH IS THE POINT OF BEGINNING,  
HAVING AN AREA OF 124,733 SQUARE FEET, 2.86 ACRES, MORE OR LESS, AND BEING SHOWN ON  
PLAT ENTITLED "SATELLITE ANNEXATION MAP FOR THE TOWN OF MICRO: BIZZELL GROVE  
TRACT" DATED MARCH 02, 2026, AND PREPARED BY MICHAEL S. STOKES, P.L.S. OF STOKES  
SURVEYING & MAPPING, PLLC.

**Section 3.** Notice of the public hearing shall be published once in The Johnstonian  
Newspaper, a newspaper having general circulation in the Town of Micro, at least ten days  
prior to the date of the public hearing.

Duly adopted this the 14<sup>th</sup> of April, 2026 while in regular session.

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Marty Parnell  
Mayor

ATTEST:

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Kimberly A. Moffett, CMC, NCCMC  
Town Clerk

**Town of Micro  
Micro, North Carolina**

**Audited Financial Statements**

**Year Ended June 30, 2025**

**Town of Micro, North Carolina**  
**Audited Financial Statements**  
**For the Year Ended June 30, 2025**

**Board of Commissioners**

Marty Parnell, Mayor

Kevin Worley, Mayor Pro Tem

Tim Earp, Commissioner

Kathryn Garcia, Commissioner

**Town of Micro, North Carolina**  
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**June 30, 2025**

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## **Financial Section**



# S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
American Institute of CPAs  
N. C. Association of CPAs

## **Independent Auditor's Report**

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

### ***Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Micro, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Micro, North Carolina's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Micro, North Carolina, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Micro, 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 opinion.

### ***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 the Town of Micro, North Carolina's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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 generally accepted auditing standards and *Government Auditing Standards*, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

#### ***Other Matters***

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11, the Local Government Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 47 and 48, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 49 and 50 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

##### *Supplementary and Other Information*

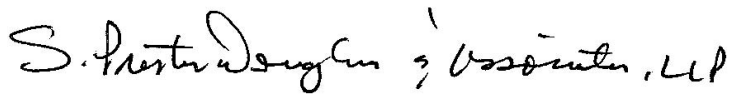
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Micro, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated in, all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026 on our consideration of the Town of Micro, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Micro, North Carolina's internal control over financial reporting and compliance.



Ocean Isle Beach, North Carolina  
January 30, 2026

## **Management's Discussion and Analysis**

**Town of Micro, North Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2025**

As management of the Town of Micro, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Micro for the fiscal year ending 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 Micro exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2,574,059 (net position).

At the end of the current fiscal year, the Town's change in net position was \$294,463, of which \$240,458 was from governmental activities and \$54,005 was from business-type activities.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$436,380. Approximately 64.03% of this total amount, or \$279,400, is available for spending at the government's discretion (unassigned fund balance).

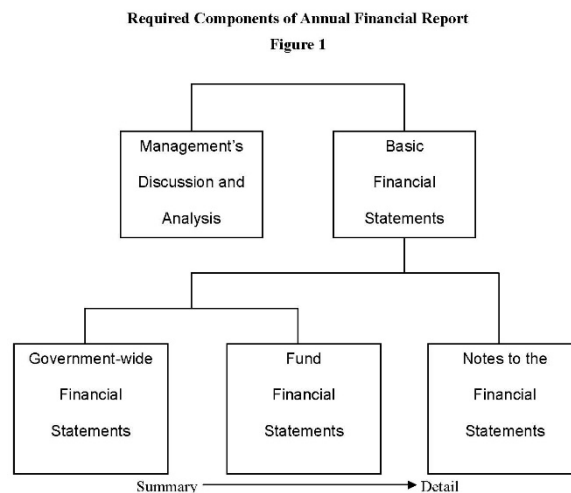
At the end of the current fiscal year, unassigned fund balance for the General Fund was \$280,392 or 155.65% of total General Fund expenditures.

At the end of the current fiscal year, the Town's Business-Type activities reported an ending net position of \$1,569,064, an increase of \$54,005 over prior year.

The North Carolina General Assembly appropriated funds to the Town of Micro to assist with a portion of the payment for a new fire engine for the Micro Fire Department, for Micro's portion of a North Carolina DOT sidewalk project, funds for maintenance and upgrades for the Town's park facility.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Micro's basic financial statements. The Town's basic financial statements comprise 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 also contains other supplementary information that will enhance the reader's understanding of the financial condition of the Town of Micro.



**Town of Micro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2025**

**Financial Statements**

The first two statements 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 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 to the Financial Statements**. The notes explain in detail some of the data contained in those statements. After the notes, additional information is provided to show details about the Town's individual funds. Budgetary information required by the N.C. General Statutes can also 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, in a manner similar 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 they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities, and 2) business-type activities. The governmental activities include most of the Town's basic services such as general government, public safety, highways/streets, sanitation, economic development, culture and recreation, and debt service. 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. This includes the water and sewer services offered by the Town of Micro.

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund Financial Statements.** The fund financial statements 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 Micro, like other state and local governments, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town can be divided into two categories, governmental funds and proprietary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same 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 monies that are unexpended 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 determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Micro 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.

**Town of Micro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2025**

**Governmental Funds (continued).** 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.** The Town of Micro maintains one type of proprietary fund called an Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its water and sewer activity. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Funds, which are considered major funds of the Town.

**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 can be found on pages 21-45 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 Micro's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 43 of this report.

**Government-Wide Financial Analysis**

**The Town of Micro's Net Position**  
**Figure 2**

	Governmental Activities 2025	Governmental Activities 2024	Business-type Activities 2025	Business-type Activities 2024	Totals 2025	Totals 2024
Current and other assets	\$ 939,273	\$ 487,340	\$ 352,638	\$ 328,439	\$ 1,291,911	\$ 815,779
Capital assets	595,426	459,832	2,047,249	2,046,248	2,642,675	2,506,080
Deferred Outflows of Resources	27,214	40,043	16,680	24,542	43,894	64,585
<b>Total assets and deferred outflows</b>	<b>1,561,913</b>	<b>987,215</b>	<b>2,416,567</b>	<b>2,399,229</b>	<b>3,978,480</b>	<b>3,386,444</b>
Long-term liabilities	65,361	120,683	824,149	867,934	889,510	988,617
Other liabilities	38,412	57,119	38,664	37,906	77,076	95,025
Deferred Inflows of Resources	502,609	149,406	7,789	4,142	510,398	153,548
<b>Total liabilities and deferred inflows</b>	<b>606,382</b>	<b>327,208</b>	<b>870,602</b>	<b>909,982</b>	<b>1,476,984</b>	<b>1,237,190</b>
<b>Net position</b>						
Net investment in capital assets	595,426	457,977	1,288,249	1,257,248	1,883,675	1,715,225
Restricted	156,980	133,632	18,252	15,210	175,232	148,842
Unrestricted	252,589	136,414	262,563	242,601	515,152	379,015
<b>Total net position</b>	<b>\$ 1,004,995</b>	<b>\$ 728,023</b>	<b>\$ 1,569,064</b>	<b>\$ 1,515,059</b>	<b>\$ 2,574,059</b>	<b>\$ 2,243,082</b>

**Town of Micro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2025**

**Government-Wide Financial Analysis (continued)**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$2,574,059 at the close of the current fiscal year.

By far the largest portion of the Town's net position, 73.18%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should note that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position, 6.81%, represents the Town's resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$515,152 or 20.01% of the total.

**Town of Micro's Changes in Net Position**  
**Figure 3**

	Governmental Activities 2025	Governmental Activities 2024	Business-type Activities 2025	Business-type Activities 2024	Totals 2025	Totals 2024
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$ 57,556	\$ 57,302	\$ 601,148	\$ 565,474	\$ 658,704	\$ 622,776
Operating grants and contributions	18,657	16,856	84,083	106,168	102,740	123,024
Capital grants and contributions	243,705	423,718	-	-	243,705	423,718
<b>General revenues</b>						
Property taxes	186,236	164,497	-	-	186,236	164,497
Grants and contributions not restricted to specific programs	114,744	112,118	-	-	114,744	112,118
Other	19,717	23,080	1,119	1,643	20,836	24,723
<b>Total revenues</b>	<b>640,615</b>	<b>797,571</b>	<b>686,350</b>	<b>673,285</b>	<b>1,326,965</b>	<b>1,470,856</b>
<b>Expenses:</b>						
General government	119,057	124,010	-	-	119,057	124,010
Public safety	148,314	91,894	-	-	148,314	91,894
Transportation	79,136	54,499	-	-	79,136	54,499
Environmental protection	39,250	38,141	-	-	39,250	38,141
Cultural and recreation	2,232	648	-	-	2,232	648
Interest on long-term debt	-	13,510	-	-	-	13,510
Water and Sewer	-	-	644,513	613,595	644,513	613,595
<b>Total expenses</b>	<b>387,989</b>	<b>322,702</b>	<b>644,513</b>	<b>613,595</b>	<b>1,032,502</b>	<b>936,297</b>
Increase (decrease) in net position before transfers	252,626	474,869	41,837	59,690	294,463	534,559
Transfers	(12,168)	(106,168)	12,168	106,168	-	-
<b>Change in net position</b>	<b>240,458</b>	<b>368,701</b>	<b>54,005</b>	<b>59,690</b>	<b>294,463</b>	<b>428,391</b>
Net position, beginning	728,023	359,322	1,515,059	1,455,369	2,243,082	1,814,691
Prior period restatement	36,514	-	-	-	36,514	-
<b>Net position - June 30</b>	<b>\$ 1,004,995</b>	<b>\$ 728,023</b>	<b>\$ 1,569,064</b>	<b>\$ 1,515,059</b>	<b>\$ 2,574,059</b>	<b>\$ 2,243,082</b>

**Town of Micro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2025**

**Government-Wide Financial Analysis (continued)**

Capital grants and contributions were the largest revenue contributor for the governmental funds with 38.04% of total revenues. Ad valorem taxes were the next largest at 29.07%.

Capital and operating grants for governmental activities furnished resources to support the five functions of the Town: general government, public safety, transportation, environmental protection, and cultural and recreation.

**Business-type activities.** Business-type activities increased the Town's net position by \$54,005 compared to an increase in net position of \$59,690 in the prior year. Key elements of the change in net position compared to prior year are as follows:

- Charges for services have increased from last year by \$35,674.
- Operating grants and contributions decreased by \$22,085 from last year.

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

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

**Governmental Funds.** The focus of the Town'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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$436,380. Of this total amount, \$279,400 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that funds are not available for spending because these funds have already been committed 1) to liquidate contracts and purchase orders of the prior year, or 2) for a variety of other restricted purposes.

The General Fund is the principal operating fund of the Town of Micro. At the end of the fiscal year, unassigned fund balance for the General Fund was \$280,392 with a total fund balance of \$437,372. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 155.65% of total General Fund expenditures.

**Proprietary Funds.** The Town of Micro's proprietary fund provides the same type of information found in the governmental-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Funds at the end of the fiscal year amounted to \$262,563. Other factors concerning these funds have been discussed in the Town's business-type activities.

**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:

- Amendments that adjust for the estimates that are prepared for the original budget ordinance, which reflect actual cost.
- Amendments that recognize new funding from external sources, such as federal and State grants.
- Amendments that appropriate increases that becomes necessary to maintain services and obligations from prior years not completed.

**Town of Micro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2025**

**Capital Assets and Debt Administration**

*Capital assets.* The Town of Micro's investments in capital assets for its governmental and business-type activities as of June 30, 2025, totals \$2,642,675 (net of accumulated depreciation). The investments in capital assets includes, construction in progress, buildings and systems, machinery and equipment, infrastructure, and vehicles and equipment.

**Town of Micro's Capital Assets**  
**(net of depreciation)**  
**Figure 4**

	Governmental		Business-type		Totals	
	Activities	Activities	Activities	Activities	Totals	Totals
	2025	2024	2025	2024	2025	2024
Land	\$ 39,500	\$ 39,500	\$ 59,093	\$ 59,093	\$ 98,593	\$ 98,593
Construction in progress	531,126	387,399	83,950	-	615,076	387,399
Buildings and systems	24,736	29,400	1,881,867	1,949,204	1,906,603	1,978,604
Machinery and equipment	-	795	22,311	31,651	22,311	32,446
Vehicles and motorized equipment	64	2,738	28	6,300	92	9,038
Total capital assets, net	\$ 595,426	\$ 459,832	\$ 2,047,249	\$ 2,046,248	\$ 2,642,675	\$ 2,506,080

Additional information on the Town's capital assets can be found in the notes on page 30 of this report.

*Long-term debt.* At the end of the current fiscal year, the Town of Micro had total bonded and installment debt outstanding of \$759,000.

**Town of Micro's Outstanding Debt**  
**Figure 5**

	Governmental		Business-type		Totals	
	Activities	Activities	Activities	Activities	Totals	Totals
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ -	\$ -	\$ 19,000	\$ 33,000	\$ 19,000	\$ 33,000
Direct placement bond anticipation notes	-	-	740,000	756,000	740,000	756,000
Compensated absences	4,845	6,961	2,943	6,019	7,788	12,980
Net pension obligation (LRS)	38,412	57,119	23,542	35,008	61,954	92,127
Total outstanding debt	\$ 43,257	\$ 64,080	\$ 785,485	\$ 830,027	\$ 828,742	\$ 894,107

**Town of Micro, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2025**

North Carolina's General Statutes limit the amount of general obligation debt that a governmental unit can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Micro is presently at \$2,751,386 (the amount of additional debt the town could obligate itself to under NC General Statute).

Additional information pertaining to the Town of Micro's long-term debt can be found in the notes on page 42 of this report.

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

Given Micro's close proximity to I-95, we are optimistic that this strategic location will support the town's future growth, both commercially and residentially. Efforts to extend water and sewer services are ongoing, further laying the groundwork for future development and increased investment in the area.

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

**Governmental Activities:** There were no significant changes from the 24-25 budget.

**Business-type Activities:** There were no significant changes from the 24-25 budget.

**Request for Information**

This financial report is designed to provide a general overview of the Town of Micro's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Micro, Post Office Box 9, Micro, North Carolina 27555.

## **Basic Financial Statements**

**Town of Micro, North Carolina**  
**Statement of Net Position**  
**June 30, 2025**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 290,452	\$ 224,840	\$ 515,292
Receivables:			
Taxes receivable (net)	1,941	-	1,941
Accounts receivable (net)	8,344	70,882	79,226
Due from other governments	28,687	-	28,687
Restricted cash and cash equivalents	609,849	56,916	666,765
<b>Total current assets</b>	<b>939,273</b>	<b>352,638</b>	<b>1,291,911</b>
Non-current assets:			
Capital assets (Note 3):			
Non-depreciable improvements	570,626	143,043	713,669
Other capital assets, net of depreciation	24,800	1,904,206	1,929,006
<b>Total capital assets</b>	<b>595,426</b>	<b>2,047,249</b>	<b>2,642,675</b>
<b>Total assets</b>	<b>1,534,699</b>	<b>2,399,887</b>	<b>3,934,586</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	27,214	16,680	43,894
<b>Total deferred outflows of resources</b>	<b>27,214</b>	<b>16,680</b>	<b>43,894</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	11,052	15,565	26,617
Current portion of long-term liabilities	-	28,000	28,000
Customer deposits	-	38,664	38,664
<b>Total current liabilities</b>	<b>11,052</b>	<b>82,229</b>	<b>93,281</b>
Long-term liabilities:			
Non-current portion of long-term debt	-	731,000	731,000
Non-current portion of compensated absences	4,845	2,943	7,788
Net pension liability (LGERS)	38,412	23,542	61,954
<b>Total liabilities</b>	<b>54,309</b>	<b>839,714</b>	<b>894,023</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned grant revenue	489,900	-	489,900
Pension deferrals	12,709	7,789	20,498
<b>Total deferred inflows of resources</b>	<b>502,609</b>	<b>7,789</b>	<b>510,398</b>
<b>NET POSITION</b>			
Net investment in capital assets	595,426	1,288,249	1,883,675
Restricted for:			
Stabilization by State Statute	37,031	-	37,031
Streets	119,949	-	119,949
Pursuant to loan requirements	-	18,252	18,252
Unrestricted	252,589	262,563	515,152
<b>Total net position</b>	<b>\$ 1,004,995</b>	<b>\$ 1,569,064</b>	<b>\$ 2,574,059</b>

**Town of Micro, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government	
					Business-type Activities	Total	
<b>Primary government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 119,057	\$ -	\$ -	\$ 143,705	\$ 24,648	\$ -	\$ 24,648
Public safety	148,314	-	-	100,000	(48,314)	-	(48,314)
Transportation	79,136	-	18,657	-	(60,479)	-	(60,479)
Environmental protection	39,250	57,556	-	-	18,306	-	18,306
Cultural and recreation	2,232	-	-	-	(2,232)	-	(2,232)
Interest on long-term debt	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<u>387,989</u>	<u>57,556</u>	<u>18,657</u>	<u>243,705</u>	<u>(68,071)</u>	<u>-</u>	<u>(68,071)</u>
<b>Business-type activities:</b>							
Water and Sewer	644,513	601,148	84,083	-	-	40,718	40,718
<b>Total business-type activities</b>	<u>644,513</u>	<u>601,148</u>	<u>84,083</u>	<u>-</u>	<u>-</u>	<u>40,718</u>	<u>40,718</u>
<b>Total primary government</b>	<u>\$ 1,032,502</u>	<u>\$ 658,704</u>	<u>\$ 102,740</u>	<u>\$ 243,705</u>	<u>(68,071)</u>	<u>40,718</u>	<u>(27,353)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purpose					186,236	-	186,236
Unrestricted intergovernmental					114,744	-	114,744
Miscellaneous					17,171	-	17,171
Investment earnings					2,546	1,119	3,665
<b>Total general revenues not including transfers</b>					<u>320,697</u>	<u>1,119</u>	<u>321,816</u>
Transfers					(12,168)	12,168	-
<b>Total general revenues and transfers</b>					<u>308,529</u>	<u>13,287</u>	<u>321,816</u>
<b>Change in net position</b>					240,458	54,005	294,463
<b>Net position, beginning, as previously reported</b>					728,023	1,515,059	2,243,082
<b>Prior period restatement (Note 6)</b>					36,514	-	36,514
<b>Net position, beginning, as restated</b>					<u>764,537</u>	<u>1,515,059</u>	<u>2,279,596</u>
<b>Net position, ending</b>					<u>\$ 1,004,995</u>	<u>\$ 1,569,064</u>	<u>\$ 2,574,059</u>

**Town of Micro, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Community Building Fund</u>	<u>General Assembly Appropriation Fund</u>	
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 290,452	\$ -	\$ -	\$ 290,452
Taxes receivable, (net)	1,941	-	-	1,941
Due from other funds	992	-	-	992
Due from other governments	28,687	-	-	28,687
Accounts receivable (net)	8,344	-	-	8,344
Restricted cash and cash equivalents	119,949	-	489,900	609,849
<b>Total assets</b>	<b>\$ 450,365</b>	<b>\$ -</b>	<b>\$ 489,900</b>	<b>\$ 940,265</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 11,052	\$ -	\$ -	\$ 11,052
Due to other funds	-	992	-	992
<b>Total liabilities</b>	<b>11,052</b>	<b>992</b>	<b>-</b>	<b>12,044</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unearned grant revenue	-	-	489,900	489,900
Property taxes receivable	1,941	-	-	1,941
<b>Total deferred inflows of resources</b>	<b>1,941</b>	<b>-</b>	<b>489,900</b>	<b>491,841</b>
<b><u>FUND BALANCE</u></b>				
Restricted:				
Stabilization by State Statute	37,031	-	-	37,031
Economic and physical development	-	-	-	-
Fire Protection	-	-	-	-
Streets	119,949	-	-	119,949
Unassigned	280,392	(992)	-	279,400
<b>Total fund balance</b>	<b>437,372</b>	<b>(992)</b>	<b>-</b>	<b>436,380</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 450,365</b>	<b>\$ -</b>	<b>\$ 489,900</b>	<b>\$ 940,265</b>

**Town of Micro, North Carolina**  
**Balance Sheet**  
**Governmental Funds (continued)**  
**June 30, 2025**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances, governmental funds	\$	436,380
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		
Gross capital assets at historical cost	\$	981,679
Accumulated depreciation		<u>(386,253)</u>
Deferred outflows of resources related to pensions are not reported in the funds		27,214
Earned revenues are considered deferred inflows of resources in fund statements		1,941
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Net pension liability		(38,412)
Compensated absences		<u>(4,845)</u>
Pension related deferrals		<u>(12,709)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>1,004,995</u></b>

**Town of Micro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Community Building Fund</b>	<b>General Assembly Appropriation Fund</b>	
<b>Revenues:</b>				
Ad valorem taxes	\$ 189,510	\$ -	\$ -	\$ 189,510
Unrestricted intergovernmental	114,744	-	-	114,744
Restricted intergovernmental	18,657	-	-	18,657
Sales and services	57,556	-	-	57,556
Grant revenue	-	143,705	100,000	243,705
Investment earnings	2,706	22	900	3,628
Miscellaneous	17,081	-	-	17,081
<b>Total revenues</b>	<u>400,254</u>	<u>143,727</u>	<u>100,900</u>	<u>644,881</u>
<b>Expenditures:</b>				
Current:				
General government	118,851	-	-	118,851
Public safety	44,359	-	100,900	145,259
Transportation	78,751	-	-	78,751
Environmental protection	37,333	-	-	37,333
Cultural and recreational	1,706	144,719	-	146,425
<b>Total expenditures</b>	<u>281,000</u>	<u>144,719</u>	<u>100,900</u>	<u>526,619</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>119,254</u>	<u>(992)</u>	<u>-</u>	<u>118,262</u>
<b>Other financing sources (uses)</b>				
Transfers from/to other funds	(12,168)	-	-	(12,168)
<b>Total other financing sources (uses)</b>	<u>(12,168)</u>	<u>-</u>	<u>-</u>	<u>(12,168)</u>
<b>Net change in fund balance</b>	107,086	(992)	-	106,094
<b>Fund balance, beginning as previously reported</b>	293,772	-	-	293,772
Prior period restatement (Note 6)	36,514	-	-	36,514
<b>Fund balance, beginning as restated</b>	<u>330,286</u>	<u>-</u>	<u>-</u>	<u>330,286</u>
<b>Fund balance, ending</b>	<u>\$ 437,372</u>	<u>\$ (992)</u>	<u>\$ -</u>	<u>\$ 436,380</u>

**Town of Micro, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2025**

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

Net change in fund balances - total governmental funds	\$	106,094
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	\$	143,727
Depreciation expense for governmental assets		<u>(8,135)</u>
		135,592
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		11,016
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue for tax revenues		(3,274)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has an effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Change in compensated absences		2,116
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Pension expense		<u>(11,086)</u>
<b>Total changes in net position of governmental activities</b>	<b>\$</b>	<b><u>240,458</u></b>

**Town of Micro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2025**

	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 200,000	\$ 208,777	\$ 189,510	\$ (19,267)
Unrestricted intergovernmental	135,000	144,622	114,744	(29,878)
Restricted intergovernmental	13,500	16,595	18,657	2,062
Sales and services	45,000	49,500	57,556	8,056
Investment earnings	-	100	2,706	2,606
Miscellaneous	20,000	8,095	17,081	8,986
<b>Total revenues</b>	413,500	427,689	400,254	(27,435)
<b>Expenditures:</b>				
Current:				
General government	169,662	170,070	118,851	51,219
Public safety	85,619	73,451	44,359	29,092
Transportation	95,000	95,000	78,751	16,249
Environmental protection	45,832	59,000	37,333	21,667
Culture and recreation	1,500	2,000	1,706	294
Nondepartmental	-	28,168	-	28,168
Debt service:				
Interest and other charges	3,719	-	-	-
<b>Total expenditures</b>	401,332	427,689	281,000	146,689
<b>Revenues over (under) expenditures</b>	12,168	-	119,254	119,254
<b>Other financing sources (uses):</b>				
Transfers (to) from other funds	(12,168)	(12,168)	(12,168)	-
<b>Total other financing sources (uses)</b>	(12,168)	(12,168)	(12,168)	-
Fund balance appropriated	-	-	-	-
<b>Net change in fund balance</b>	\$ -	\$ -	107,086	\$ 107,086
<b>Fund balance, beginning, as previously reported</b>			293,772	
<b>Prior period restatement (Note 6)</b>			36,514	
<b>Fund balance, beginning</b>			330,286	
<b>Fund balance, ending</b>			\$ 437,372	

**Town of Micro, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	<b>Water and Sewer Fund</b>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 224,840
Accounts receivable (net)	70,882
Restricted cash	56,916
<b>Total current assets</b>	<b>352,638</b>
Non-current assets:	
Capital assets:	
Land and other non-depreciable assets	143,043
Other capital assets, net of depreciation	1,904,206
<b>Capital assets (net)</b>	<b>2,047,249</b>
<b>Total noncurrent assets</b>	<b>2,047,249</b>
<b>Total assets</b>	<b>2,399,887</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension deferrals	16,680
<b>Total deferred outflows of resources</b>	<b>16,680</b>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable and accrued liabilities	15,565
Current portion of long-term debt	28,000
Liabilities payable from restricted assets:	
Customer deposits	38,664
<b>Total current liabilities</b>	<b>82,229</b>
Noncurrent liabilities:	
Compensated absences	2,943
Net pension liability	23,542
Noncurrent portion of long-term debt	731,000
<b>Total noncurrent liabilities</b>	<b>757,485</b>
<b>Total liabilities</b>	<b>839,714</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension deferrals	7,789
<b>Total deferred inflows of resources</b>	<b>7,789</b>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	1,288,249
Restricted for:	
Pursuant to loan requirements	18,252
Unrestricted	262,563
<b>Total net position</b>	<b>\$ 1,569,064</b>

**Town of Micro, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Water and Sewer Fund</b>
<b>Operating revenues:</b>	
Charges for services	\$ 601,148
<b>Total operating revenues</b>	601,148
<b>Operating expenses:</b>	
Water and Sewer Administration	118,199
Water Distribution	133,896
Water Collection and Treatment	210,639
Depreciation	82,949
<b>Total operating expenses</b>	545,683
<b>Operating income (loss)</b>	55,465
<b>Nonoperating revenues (expenses):</b>	
Investment earnings	1,109
Interest and other charges	(14,880)
<b>Total nonoperating revenue (expenses)</b>	(13,771)
<b>Income (loss) before contributions and transfers</b>	41,694
Transfers from other funds	12,311
<b>Total contributions and transfers</b>	12,311
<b>Change in net position</b>	54,005
Net position, beginning	1,515,059
<b>Total net position, ending</b>	\$ 1,569,064

**Town of Micro, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Water and Sewer Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 601,148
Cash paid for goods and services	(359,222)
Cash paid to employees for services	(81,337)
<b>Net cash provided (used) by operating activities</b>	160,589
<b>Cash flows from capital and related financing activities:</b>	
Principal paid on bonds and installment notes	(30,000)
Interest paid on bonds and installment notes	(14,880)
Transfers from other funds	12,311
Acquisition and construction of capital assets	(207,078)
<b>Net cash provided (used) by capital and related financing activities</b>	(239,647)
<b>Cash flows from investing activities:</b>	
Nonoperating revenue	100,194
Investment earnings	1,109
<b>Net cash provided (used) by investing activities</b>	101,303
<b>Net increase (decrease) in cash and cash equivalents</b>	22,245
<b>Cash and cash equivalents - beginning of year</b>	259,511
<b>Cash and cash equivalents - end of year</b>	\$ 281,756
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
<b>Operating income (loss)</b>	\$ 55,465
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities :</b>	
Depreciation	82,949
Change in assets, deferred outflows of resources, and liabilities:	
(Increase) decrease in accounts receivable	(1,954)
Increase (decrease) in compensated absences	(3,076)
Increase (decrease) in accounts payable and accrued liabilities	3,471
Increase (decrease) in deposits	758
(Increase) decrease in deferred outflows of resources - pensions	7,862
Increase (decrease) in net pension liability	11,467
Increase (decrease) in deferred inflows of resources - pensions	3,647
<b>Total adjustments</b>	105,124
<b>Net cash provided (used) by operating activities</b>	\$ 160,589

## **Notes to the Financial Statements**

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statement themselves. The notes supplement the financial statements, and are an integral part thereof, and are intended to be read in conjunction with the financial statements.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements**  
**June 30, 2025**

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

The accounting policies of the Town of Micro, North Carolina (“the Town”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A - Reporting Entity**

The Town of Micro is a municipal corporation that is governed by an elected mayor and a four-member Council. As required by generally accepted accounting principles, these financial statements include all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or are financially independent upon the Town.

**B - Basis of Presentation**

*Government-wide Statements:* The statement of net position and statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Proprietary fund operating revenues, such as charges for services, result from the 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. Non-operating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental 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 general government, public safety, street maintenance and construction, and sanitation services.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B - Basis of Presentation - Fund Accounting (continued)**

**Community Building Project Fund** – This fund accounts for grant funding that assist in rebuilding and renovating the town community building.

**General Assembly Appropriation Fund** – This fund accounts for grant funding from the state of North Carolina.

The Town reports the following major enterprise funds:

**Water and Sewer Fund** - This fund is used to account for the Town’s water and sewer operations.

**Water and Sewer AIA Fund** - This fund is used to account for the Town’s water and sewer AIA project.

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

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

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C - Measurement Focus and Basis of Accounting (continued)**

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 a 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 utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered shared revenue for the Town of Micro because the tax is levied by Johnston County and then remitted to and distributed by the State. Most intergovernmental revenue and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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, the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. A project ordinance is adopted for the USDA Water and Wastewater Collection Systems Improvement Fund. The USDA Water and Wastewater Collection Systems Improvement Fund are consolidated with the respective operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

**1. Deposits and Investments**

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances and the North Carolina Capital Management Trust (NCCMT).

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

1. Deposits and Investments (continued)

The Town of Micro’s investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The NCCMT Government Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT’s share price. The NCCMT Term Portfolio’s securities are valued at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2025, The Term Portfolios has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

2. Cash and Cash Equivalents

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

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. The USDA requires the Town to establish a Debt Service Reserve account. This account was established for the payment of debt service if revenues are insufficient and is represented as a restricted asset.

**Town of Micro's Restricted Cash**

Governmental Activities:

Streets	\$	119,949
General assembly appropriation		489,900
Total Governmental activities		609,849

Business-type activities:

Customer deposits		38,664
Debt service reserve		18,252
Total business-type activities		56,916

Total restricted cash	\$	666,765
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**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2024. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenue is reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain threshold and an estimated life in excess of one year. Minimum capitalization costs are \$5,000 for all asset categories. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. All other purchased or constructed capital assets are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Improvements	10-25
Vehicles	6
Furniture and equipment	10
Computer equipment	3

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meet this criterion – pension related deferrals for the 2025 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criteria for this category – property taxes receivable and pension related deferrals.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

8. Long-Term Obligations

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

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources 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.

9. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days of earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense is recorded 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 designed 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. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Position / Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; 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.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

10. Net Position / Fund Balances (continued)

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

**Committed Fund Balance** - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body. 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 to remove or revise the limitation.

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

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

**Unassigned Fund Balance** - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (continued)**

Fund Balances (continued)

10. Net Position / Fund Balances (continued)

The Town of Micro has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the Town.

The Town of Micro has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct business of the Town in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures. Any portion of the General Fund balance in excess of \$10 of budgeted expenditures may be appropriated for one-time expenditures that may not be used for any purpose that would obligate the Town in a future budget.

11. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension 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. The Town of Micro's employer contributions are recognized when due and the Town of Micro has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A – Significant Violations of Finance-Related Legal and Contractual Provisions**

1. Noncompliance with North Carolina General Statutes

N.C. General Statute 159-34(a) states the Board should have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant. The deadline to submit June 30 year end audits to the Local Government Commission is December 31. The June 30, 2025, audit was submitted on February 27, 2026.

The Town is not in compliance with N.C. General Statute 159.29, which requires that the minimum fidelity bond for the finance officer be based on the annually budgeted fund amounts for the fiscal year. As of the date of this report, the finance officer is bonded for \$100,000. To comply with the statute, the Town must increase the coverage to \$112,177.

**B - Deficit in Fund Balance or Net Position of Individual Funds**

None

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

**C - Excess of Expenditures over Appropriations**

None

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**A - Assets**

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the Federal Deposit Insurance Coverage level are collateralized with securities held by the Town's agents in this unit's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2025, the Town's deposits had a carrying amount of \$1,178,114 and a bank balance of \$1,602,117. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2025, the Town's petty cash amounted to \$400.

2. Investments

At June 30, 2025, the Town of Micro had \$4,535 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAA by Standard and Poor's. The Town has no policy regarding credit risk.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**A - Assets (continued)**

4. Capital Assets

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

	Beginning			Ending
	Balances	Increases	Decreases	Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 39,500	\$ -	\$ -	\$ 39,500
Construction in progress	387,399	143,727	-	531,126
Total capital assets not being depreciated	<u>426,899</u>	<u>143,727</u>	<u>-</u>	<u>570,626</u>
<b>Capital assets being depreciated:</b>				
Buildings	129,697	-	-	129,697
Equipment	131,095	-	-	131,095
Vehicles and motorized equipment	140,261	-	-	140,261
Infrastructure	10,000	-	-	10,000
Total capital assets being depreciated	<u>411,053</u>	<u>-</u>	<u>-</u>	<u>411,053</u>
<b>Less accumulated depreciation for:</b>				
Buildings	100,297	4,664	-	104,961
Equipment	130,300	795	-	131,095
Vehicles and motorized equipment	137,521	2,676	-	140,197
Infrastructure	10,000	-	-	10,000
Total accumulated depreciation	<u>378,118</u>	<u>8,135</u>	<u>-</u>	<u>386,253</u>
Total capital assets being depreciated, net	<u>32,935</u>			<u>24,800</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 459,834</u>			<u>\$ 595,426</u>

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

General government	\$ 2,309
Public safety	3,016
Transportation	367
Environmental protection	1,917
Cultural and recreation	526
Total depreciation expense	<u>\$ 8,135</u>

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**A - Assets (continued)**

4. Capital Assets (continued)

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

<b>Water and Sewer Fund</b>	Beginning			Ending
	Balances	Increases	Decreases	Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 59,093	\$ -	\$ -	\$ 59,093
Construction in progress	-	83,950	-	83,950
Total capital assets not being depreciated	<u>59,093</u>	<u>83,950</u>	<u>-</u>	<u>143,043</u>
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	3,385,406	-	-	3,385,406
Furniture and maintenance equipment	121,093	-	-	121,093
Vehicles	97,888	-	-	97,888
Total capital assets being depreciated	<u>3,604,387</u>	<u>-</u>	<u>-</u>	<u>3,604,387</u>
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	1,436,202	67,307	-	1,503,509
Furniture and maintenance equipment	89,442	9,340	-	98,782
Vehicles	91,558	6,302	-	97,860
Total accumulated depreciation	<u>1,617,202</u>	<u>82,949</u>	<u>-</u>	<u>1,700,151</u>
Total capital assets being depreciated, net	<u>1,987,185</u>			<u>1,904,236</u>
<b>Business-type Activities capital assets, net</b>	<u>\$ 2,046,278</u>			<u>\$ 2,047,279</u>

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities**

1. Pension Plan and Postemployment Obligations

*a. Local Governmental Employees' Retirement System*

*Plan Description.* The Town of Micro is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Micro employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Micro's contractually required contribution rate for the year ended June 30, 2025, was 9.70% of compensation for law enforcement officers and 11.32% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Micro were \$17,767 for the year ended June 30, 2025.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

1. Pension Plan and Postemployment Obligations (continued)

*a. Local Governmental Employees' Retirement System (continued)*

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

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

At June 30, 2025, the Town reported a liability of \$61,954 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 0.00092%, which was a decrease of 0.00139% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the Town recognized pension expense of \$17,881. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 10,857	\$ 73
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	8,423	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,848	20,425
Town contributions subsequent to the measurement date	17,767	-
Total	\$ 43,895	\$ 20,498

\$17,767 resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>		
2026	\$	762
2027		6,759
2028		(939)
2029		(952)
2030		-
Thereafter		-

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

1. Pension Plan and Postemployment Obligations (continued)

a. *Local Governmental Employees' Retirement System (continued)*

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

*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:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 are summarized in the following table:

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

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

1. Pension Plan and Postemployment Obligations (continued)

*a. Local Governmental Employees' Retirement System (continued)*

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

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

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

*Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, 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%) or one percentage point higher (7.50%) than the current rate:

	<b>1% Decrease (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Town's proportionate share of the net pension liability (asset)	\$ 109,784	\$ 61,954	\$ 22,607

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

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

1. Pension Plan and Postemployment Obligations (continued)

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

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

	<b>LGERS</b>	<b>Total</b>
Pension Expense	\$ 17,881	\$ 17,881
Pension Liability	61,954	61,954
Proportionate share of the net pension liability	0.00092%	0.00092%
Deferred of Outflows of Resources		
Differences between expected and actual experience	10,857	10,857
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	8,423	8,423
Changes in proportion and differences between contributions and proportionate share of contributions	6,848	6,848
Benefit payments and administrative costs paid subsequent to the measurement date	17,767	17,767
Deferred of Inflows of Resources		
Difference between expected and actual experience	73	73
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	20,425	20,425
Net difference between projected and actual earnings on pension plan investments	-	-

***c. Supplemental Retirement Income Plan for Law Enforcement Officers***

*Plan Description.* The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 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 for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

2. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employees' Retirement System (Death Benefit Plan), a multi-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 employees death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan.

The Town has no liability beyond the payment of the contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

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

Contributions to pension plan in current fiscal year	\$	17,767
Differences between expected and actual experience		10,857
Changes of assumptions		-
Net difference between projected and actual		8,423
Changes in proportion and differences between Town contributions and proportionate share of contributions		6,848
<b>Total</b>	<b>\$</b>	<b>43,895</b>

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

3. Deferred Outflows and Inflows of Resources (continued)

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

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable, less penalties (General Fund)	\$ -	\$ 1,941
Unearned revenue	489,900	-
Differences between expected and actual experience	73	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,425	-
<b>Total</b>	<b>\$ 510,398</b>	<b>\$ 1,941</b>

4. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels.

Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

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 Director is individually bonded for \$100,000. The remaining employees that have access to cash are covered under a blanket insurance policy for \$50,000.

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

The Town does not carry flood insurance, as the Town does not feel that, based on the location of their assets, the added cost of flood insurance is justifiable.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

5. Long-Term Obligations

a. General Obligation Indebtedness

The Town's general obligation bonds serviced by the governmental funds were issued for the acquisition of public safety equipment. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. 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.

Bonds payable at June 30, 2025 are comprised of the following individual issues:

b. General Obligation Bonds

Years Ending <u>June 30:</u>	<u>Business-type Activities</u>	
	Notes Payable	
	Principal	Interest
2026	\$ 10,000	\$ 2,700
2027	9,000	2,000
	\$ 19,000	\$ 4,700

c. Revenue Bond

The Town entered into a revenue bond anticipation note with USDA on November 19, 2019 to help with improvements on the Town's Water and Wastewater systems. The note will be paid in 40 annual payments with an interest rate of 1.75%.

Years Ending <u>June 30:</u>	Notes Payable	
	Principal	Interest
2026	\$ 16,000	\$ 12,950
2027	16,000	12,670
2028	17,000	12,390
2029	17,000	12,092
2030	18,000	11,498
2031-2035	96,000	44,098
2036-2041	103,000	37,502
2042-2046	113,000	30,326
2047-2051	122,000	22,556
2052-2056	130,000	14,086
2057-2059	92,000	4,811
	\$ 740,000	\$ 214,979

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**B - Liabilities (continued)**

6. Long-Term Obligations (continued)

c. Revenue Bond (continued)

The Town is in compliance with the covenants as to rates, fees, rentals and charges in Section 3.04 of the Bond Order, authorizing the issue of the Water and Sewer Revenue Bonds, Series 2011. Section 3.04 of the Bond Order requires the debt service coverage ratio to be no less than 110%.

Operating revenues	\$ 601,148
Operating expenses*	<u>449,504</u>
Operating income	151,644
Nonoperating revenues (expenses)**	<u>(13,771)</u>
Income available for debt service	<u>\$ 137,873</u>

Net revenues must be no less than 110% for current year debt service requirement:

Debt service, principal and interest paid (revenue bond only)	<u>28,950</u>
Debt service ratio	476%

Net revenues must be no less than 110% of the amount necessary to pay annual debt service obligation on subordinated indebtedness

Debt service on subordinated indebtedness	None
Debt service on subordinated indebtedness percent coverage	-

\* Per rate covenants, this does not include the depreciation expense of \$82,949

\*\* Per rate covenants, this does not include revenue bond interest paid of \$13,230

The Town has committed future water and sewer customer revenues, after accounting for specified operating expenses, to repay \$832,000 in revenue bonds issued in 2019. The bond proceeds were used to finance the improvements of the water and sewer system. These bonds are solely payable from the net revenues of water and sewer customers and are due to be repaid by 2059. Annual payments of principal and interest on the bonds are projected to account for less than 41% of operating revenues. The total principal and interest remaining to be paid on the bonds is \$954,979. Principal and interest paid for the current year and total customer operating revenues were \$954,979 and \$595,579 respectively.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

e. Changes in Long-Term Liabilities

The following is a summary of changes in the Town's long-term obligations as of June 30, 2025.

	Beginning			Ending	Current
	Balances	Increases	Decreases	Balances	Portion
<b>Governmental activities:</b>					
Net pension obligation (LGERS)	\$ 57,119	\$ -	\$ 18,707	\$ 38,412	\$ -
Total pension obligation (LEO)	-	-	-	-	-
Compensated absences	6,961	-	2,116	4,845	-
Governmental activity					
long-term liabilities	<u>\$ 64,080</u>	<u>\$ -</u>	<u>\$ 20,823</u>	<u>\$ 43,257</u>	<u>\$ -</u>
<b>Business-type activities:</b>					
General obligation bonds	\$ 33,000	\$ -	\$ 14,000	\$ 19,000	\$ 10,000
Revenue bonds	756,000	-	16,000	740,000	16,000
Net pension obligation (LGERS)	35,008	-	11,466	23,542	-
Compensated absences	6,019	-	3,076	2,943	-
Business-type activity					
long-term liabilities	<u>\$ 830,027</u>	<u>\$ -</u>	<u>\$ 44,542</u>	<u>\$ 785,485</u>	<u>\$ 26,000</u>

The General Fund provides the resources for the retirement of compensated absences payable. The Town's legal debt limit is 8.0% of the Town's assessed value of taxable property. The Town's legal debt margin as of June 30, 2025, amounts to approximately \$2,751,386.

**Town of Micro, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2025**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**D – Net Investment in Capital Assets**

	<b>Governmental</b>	<b>Business-Type</b>
Capital assets	\$ 595,404	\$ 2,047,249
less: long-term debt	-	759,000
Net investment in capital asset	\$ 595,404	\$ 1,288,249

**E - Fund Balance**

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

<i>Total fund balance - General Fund</i>	\$ 402,563
Less:	
Stabilization by State Statute	37,031
Streets	119,949
<b>Remaining fund balance</b>	<b>245,583</b>

There were no outstanding encumbrances at June 30, 2025.

**NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Federal and State Assisted Programs**

The Town has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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.

**NOTE 5 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through January 30, 2026, which is the date the financial statements were available to be issued.

**NOTE 6 - RESTATEMENT**

During the fiscal year, the Town identified errors in previously reported fund balance amounts related to year-end accruals. As a result, beginning fund balance for the General Fund have been restated to correct the error and to properly reflect the financial position of the Town in accordance with generally accepted accounting principles. The restatements resulted in the following adjustments to beginning fund balance as of July 1, 2024:

- General Fund: Increase of \$36,514

These adjustments were necessary to correct the misstated balances reported in the prior period and have been reflected in the accompanying financial statements.

## Required Supplementary Financial Data

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

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- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System.
- Schedule of Contributions to Local Government Employees' Retirement System.
- Schedule of Changes in Total Pension Liability.
- Schedule of Total Pension Liability as a Percentage of Covered Payroll.

**Town of Micro, North Carolina**  
**Town of Micro's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Ten Fiscal Years\***

**Local Government Employees' Retirement System**

	<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	\$ 17,767	\$ 17,328	\$ 24,724	\$ 25,367	\$ 22,176	\$ 10,783	\$ 9,903	\$ 4,636	\$ 3,148	\$ 2,783
Contributions in relation to the contractually required contribution	17,767	17,328	24,724	25,367	22,176	10,783	9,903	4,636	3,148	2,783
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Micro's covered-employee payroll	\$ 130,640	\$ 126,701	\$ 185,283	\$ 201,519	\$ 195,844	\$ 120,482	\$ 118,518	\$ 50,340	\$ 30,567	\$ 28,934
Contributions as a percentage of covered-employee payroll	13.60%	13.68%	13.34%	12.59%	11.32%	8.95%	8.36%	9.21%	10.30%	9.62%

**Town of Micro, North Carolina  
Town of Micro's Contributions  
Required Supplementary Information  
Last Ten Fiscal Years**

**Local Government Employees' Retirement System**

	<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	\$ 17,767	\$ 17,328	\$ 24,724	\$ 25,367	\$ 22,176	\$ 10,783	\$ 9,903	\$ 4,636	\$ 3,148	\$ 2,783
Contributions in relation to the contractually required contribution	<u>17,767</u>	<u>17,328</u>	<u>24,724</u>	<u>25,367</u>	<u>22,176</u>	<u>10,783</u>	<u>9,903</u>	<u>4,636</u>	<u>3,148</u>	<u>2,783</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Micro's covered-employee payroll	\$ 130,640	\$ 126,701	\$ 185,283	\$ 201,519	\$ 195,844	\$ 120,482	\$ 118,518	\$ 50,340	\$ 30,567	\$ 28,934
Contributions as a percentage of covered-employee payroll	13.60%	13.68%	13.34%	12.59%	11.32%	8.95%	8.36%	9.21%	10.30%	9.62%

## **Individual Fund Statements and Schedules**

## **Governmental Funds**

***General Fund*** – This 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.

***Community Building Project Fund*** – This fund accounts for grant funding that assist in rebuilding and renovating the town community building.

***General Assembly Appropriation Fund*** – This fund accounts for grant funding from the state of North Carolina.

**Town of Micro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Ad valorem taxes:</b>			
Taxes	\$	\$ 189,510	\$
<b>Total</b>	<u>208,777</u>	<u>189,510</u>	<u>(19,267)</u>
<b>Unrestricted intergovernmental:</b>			
Local option sales tax		82,982	
Telecommunications sales tax		1,086	
Video programming tax		609	
Utilities sales tax		24,234	
Beer and wine tax		1,998	
ABC profit distribution		1,805	
Zoning permits		2,030	
<b>Total</b>	<u>144,622</u>	<u>114,744</u>	<u>(29,878)</u>
<b>Restricted intergovernmental:</b>			
Powell bill allocation		18,272	
Solid waste disposal tax		385	
<b>Total</b>	<u>16,595</u>	<u>18,657</u>	<u>2,062</u>
<b>Sales and services:</b>			
Garbage fees		57,556	
<b>Total</b>	<u>49,500</u>	<u>57,556</u>	<u>(8,056)</u>
<b>Investment earnings</b>	<u>100</u>	<u>2,706</u>	<u>2,606</u>
<b>Miscellaneous:</b>			
Rent		12,890	
Miscellaneous		4,191	
<b>Total</b>	<u>8,095</u>	<u>17,081</u>	<u>8,986</u>
<b>Total revenues</b>	<u>\$ 427,689</u>	<u>\$ 400,254</u>	<u>\$ (27,435)</u>

**Town of Micro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (continued)**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures:</b>			
<b>General government:</b>			
<b>Governing body:</b>			
Salaries and employee benefits	\$	\$ 1,700	\$
Other operating expenditures		2,765	
<b>Total</b>	<u>5,565</u>	<u>4,465</u>	<u>1,100</u>
<b>Administration:</b>			
Salaries and employee benefits		35,160	
Other operating expenditures		79,226	
<b>Total</b>	<u>164,505</u>	<u>114,386</u>	<u>50,119</u>
 <b>Total general government</b>	 <u>170,070</u>	 <u>118,851</u>	 <u>51,219</u>
<b>Public safety:</b>			
<b>Police department:</b>			
Other operating expenditures		7,061	
<b>Total</b>	<u>30,352</u>	<u>7,061</u>	<u>23,291</u>
<b>Fire:</b>			
Other operating expenditures		37,298	
<b>Total</b>	<u>43,099</u>	<u>37,298</u>	<u>5,801</u>
 <b>Total public safety</b>	 <u>73,451</u>	 <u>44,359</u>	 <u>29,092</u>
<b>Transportation:</b>			
<b>Streets and highways:</b>			
Salaries and employee benefits		42,373	
Other operating expenditures		36,378	
<b>Total transportation</b>	<u>\$ 95,000</u>	<u>\$ 78,751</u>	<u>\$ 16,249</u>

**Town of Micro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (continued)**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Environmental protection:</b>			
Other operating expenditures	\$	\$ 37,333	\$
<b>Total</b>	<u>59,000</u>	<u>37,333</u>	<u>21,667</u>
<b>Cultural and recreation:</b>			
Operating expenditures		1,706	
<b>Total</b>	<u>2,000</u>	<u>1,706</u>	<u>294</u>
<b>Total expenditures</b>	<u>415,521</u>	<u>281,000</u>	<u>134,521</u>
<b>Revenues over (under) expenditures</b>	<u>12,168</u>	<u>119,254</u>	<u>107,086</u>
<b>Other financing sources (uses):</b>			
Transfer to other funds		(12,168)	
<b>Total other financing sources (uses)</b>	<u>(12,168)</u>	<u>(12,168)</u>	<u>-</u>
Fund balance appropriated	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	107,086	<u>\$ 107,086</u>
<b>Fund balance, beginning, as previously reported</b>		293,772	
<b>Prior period restatement (Note 6)</b>		36,514	
<b>Fund balance, beginning of year</b>		<u>330,286</u>	
<b>Fund balance, ending</b>		<u>\$ 437,372</u>	

**Town of Micro, North Carolina  
Community Building Project Fund  
Schedule of Revenues, and Expenditures, and Changes in Fund Balance-  
Budget and Actual  
From Inception and for the Year Ended June 30, 2025**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
Federal Grants	\$ 350,700	\$ 207,354	\$ 143,705	\$ 351,059	\$ (359)
Contributions from County	180,000	180,000	-	180,000	-
Investment earnings	-	45	22	67	(67)
<b>Total revenues</b>	<u>530,700</u>	<u>387,399</u>	<u>143,727</u>	<u>531,126</u>	<u>(426)</u>
<b>Expenditures:</b>					
<b>Capital outlay:</b>					
Design and engineering	103,500	92,049	13,859	105,908	(2,408)
Construction	427,200	295,350	130,860	426,210	990
<b>Total expenditures</b>	<u>530,700</u>	<u>387,399</u>	<u>144,719</u>	<u>532,118</u>	<u>(1,418)</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(992)</u>	<u>(992)</u>	<u>(992)</u>
<b>Revenues and other sources over expenditures and other sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (992)</u>	<u>\$ (992)</u>	<u>\$ (992)</u>

**Town of Micro, North Carolina**  
**General Assembly Appropriation Fund**  
**Schedule of Revenues, and Expenditures, and Changes in Fund Balance-**  
**Budget and Actual**  
**From Inception and for the Year Ended June 30, 2025**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
State and Local Recovery Funds	\$ 589,000	\$ -	\$ 100,000	\$ 100,000	\$ (489,000)
Investment earnings	-	-	900	900	900
<b>Total revenues</b>	<u>589,000</u>	<u>-</u>	<u>100,900</u>	<u>100,900</u>	<u>(488,100)</u>
<b>Expenditures:</b>					
<b>Fire Department Support</b>					
Support	589,000	-	100,900	100,900	488,100
<b>Total expenditures</b>	<u>589,000</u>	<u>-</u>	<u>100,900</u>	<u>100,900</u>	<u>488,100</u>
<b>Revenues over (under) expenditures</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 Funds

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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***Water and Sewer Fund*** - This fund is used to account for the Town's water and sewer operations.

***Water and Sewer AIA Fund*** - This fund is used to account for the Town's water and sewer AIA project.

**Town of Micro, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures, and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Operating revenues:</b>			
Water sales	\$	\$ 221,807	\$
Sewer sales		278,147	
Water and sewer taps		1,000	
<b>Total</b>	<u>534,519</u>	<u>500,954</u>	<u>(33,565)</u>
<b>Non-operating revenues:</b>			
Interest earnings		1,109	
Other		100,194	
<b>Total</b>	<u>91,168</u>	<u>101,303</u>	<u>10,135</u>
<b>Total revenues</b>	<u>625,687</u>	<u>602,257</u>	<u>(23,430)</u>
<b>Expenditures:</b>			
<b>Water and Sewer Administration:</b>			
Water salaries and benefits		46,033	
Other operating expenditures		72,166	
<b>Total</b>	<u>122,700</u>	<u>118,199</u>	<u>4,501</u>
<b>Water Distribution:</b>			
Water salaries and benefits		28,761	
Other operating expenditures		105,135	
<b>Total</b>	<u>139,921</u>	<u>133,896</u>	<u>6,025</u>
<b>Water Collection and Treatment</b>			
Water salaries and benefits		28,718	
Other operating expenditures		268,904	
<b>Total</b>	<u>299,226</u>	<u>297,622</u>	<u>1,604</u>

**Town of Micro, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures, and Changes in Fund Balances -**  
**Budget and Actual (Non-GAAP) (continued)**  
**For the Year Ended June 30, 2025**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Debt service:</b>			
Principal payments	\$	\$ 30,000	\$
Interest and other charges		14,880	
<b>Total</b>	45,230	44,880	350
 <b>Total expenditures</b>	 607,077	 594,597	 12,480
 <b>Revenues over (under) expenditures</b>	 18,610	 7,660	 (10,950)
 <b>Other financing sources (uses):</b>			
Transfer from other funds		143	
Transfer from General Fund	-	12,168	
<b>Total</b>	-	12,311	12,311
 <b>Appropriated fund balance</b>	 (18,610)	 -	 18,610
 <b>Revenues, other financing sources (uses) over (under) expenditures</b>	 \$ -	 19,971	 \$ 19,971
 <b>Reconciling items:</b>			
Depreciation		(82,949)	
Capital outlay		83,950	
Principal payments		30,000	
Increase in accrued compensated absences		3,076	
Increase in outflows of resources - pensions		(7,862)	
Increase in net pension liability		11,466	
Increase in inflows of resources - pensions		(3,647)	
<b>Total reconciling items</b>		34,034	
 <b>Change in net position</b>		 \$ 54,005	

**Town of Micro, North Carolina**  
**Water and Sewer AIA Fund**  
**Schedule of Revenues, and Expenditures, and Changes in Fund Balance-**  
**Budget and Actual**  
**From Inception and for the Year Ended June 30, 2025**

	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Actual</u> <u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues:</b>					
Grants	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
Interest earnings	-	-	10	10	(10)
<b>Total revenues</b>	<u>300,000</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>299,990</u>
<b>Expenditures:</b>					
<b>Capital outlay:</b>					
Design and engineering	150,000	-	-	-	150,000
Construction	150,000	32,500	83,950	116,450	33,550
<b>Total expenditures</b>	<u>300,000</u>	<u>32,500</u>	<u>83,950</u>	<u>116,450</u>	<u>183,550</u>
<b>Revenues over (under)</b> <b>expenditures</b>	<u>-</u>	<u>-</u>	<u>(83,940)</u>	<u>(116,440)</u>	<u>116,440</u>
<b>Other financing sources (uses):</b>					
Transfer in	-	103,700	12,750	116,450	116,450
<b>Total other sources (uses)</b>	<u>-</u>	<u>103,700</u>	<u>12,750</u>	<u>116,450</u>	<u>116,450</u>
<b>Revenues and other sources over</b> <b>expenditures and other sources</b>	<u>\$ -</u>	<u>\$ 71,200</u>	<u>\$ (71,190)</u>	<u>\$ 10</u>	<u>\$ 10</u>

## Other Schedules

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**This section contains additional information on property taxes.**

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

**Town of Micro, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2025**

<u>Fiscal Year</u>	<u>Uncollected Balances June 30, 2024</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balances June 30, 2025</u>
2024-2025	\$ -	\$ 166,950	\$ 165,072	\$ 1,878
2023-2024	5,125	-	5,062	63
2022-2023	-	-	-	-
2021-2022	-	-	-	-
2020-2021	-	-	-	-
2019-2020	-	-	-	-
2018-2019	-	-	-	-
2017-2018	-	-	-	-
2016-2017	-	-	-	-
2015-2016	-	-	-	-
	<u>\$ 5,125</u>	<u>\$ 166,950</u>	<u>\$ 170,134</u>	<u>1,941</u>

Less: allowance for uncollectible accounts - General Fund

-

**Ad valorem taxes receivable - net**

\$ 1,941

**Reconciliation with revenues:**

Ad valorem taxes - General Fund

\$ 189,510

Reconciling items:

Interest

(291)

Other

(19,085)

**Total collections and credits**

\$ 170,134

**Town of Micro, North Carolina**  
**Analysis of Current Year Tax Levy**  
**For the Year Ended June 30, 2025**

	Town-Wide Levy		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original levy:</b>					
Property Tax	\$ 33,102,000	0.55	\$ 182,061	\$ 159,249	\$ 22,812
Total	<u>33,102,000</u>		<u>182,061</u>	<u>159,249</u>	<u>22,812</u>
<b>Discoveries:</b>					
Current Year	1,290,323	0.155	2,000	2,000	-
Total	<u>1,290,323</u>		<u>2,000</u>	<u>2,000</u>	<u>-</u>
<b>Total property valuation</b>	<u>\$ 34,392,323</u>				
<b>Net levy</b>			184,061	161,249	22,812
<b>Uncollected taxes at June 30, 2025</b>			<u>(1,878)</u>	<u>(1,878)</u>	<u>-</u>
<b>Current year's taxes collected</b>			<u>\$ 182,183</u>	<u>\$ 159,371</u>	<u>\$ 22,812</u>
<b>Current levy collection percentage</b>			<u>98.98%</u>	<u>98.84%</u>	<u>100.00%</u>

## **Compliance Section**



**S. Preston Douglas & Associates, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
American Institute of CPAs  
N. C. Association of CPAs

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and  
Members of the Board of commissioners  
Micro, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Micro, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Micro's basic financial statements and have issued our report thereon dated January 30, 2026.

Internal Control over Financial Reporting

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

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

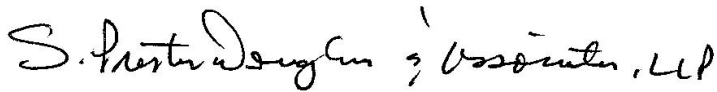
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses (items 2025-001, 2025-002, and 2025-003).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Micro, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-002 and 2025-003.

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.

Handwritten signature in black ink that reads "S. Prater Douglas, CPA". The signature is written in a cursive style.

Ocean Isle Beach, North Carolina  
January 30, 2026



**Town of Micro, North Carolina**  
**Schedule of Findings and Responses (continued)**  
**For the Year Ended June 30, 2025**

<b>Section II. Financial Statement Findings</b>
---

MATERIAL WEAKNESS

**Finding: 2025 - 001 Segregation of Duties**

Criteria: Segregation of duties provide checks and balances to reduce possibilities for misstatements resulting from errors in judgements, dishonesty, personal carelessness, distraction, and fatigue.

Condition: The Town has a limited number of personnel for accounting functions which creates inherent limitations on the effectiveness of certain controls due to the lack of segregation of duties among the Town’s personnel.

Effect: Potential misstatement of financial statements

Cause: Due to a limited number of personnel, the Town faces inherent limitations in the effectiveness of certain internal controls, as duties cannot be adequately segregated among staff.

Repeat Finding: This is a repeat finding from the immediate previous audit, 2024-001.

Recommendation: The Board should recognize that the effectiveness of internal controls is constrained by the limited size of the Town’s staff, which can make it challenging to fully segregate duties and implement additional oversight measures.

Views of responsible officials and planned corrective actions:

The Town agrees with the finding and agrees to adhere to the correction action plan on page 62.

**Town of Micro, North Carolina**  
**Schedule of Findings and Responses (continued)**  
**For the Year Ended June 30, 2025**

**Section II. Financial Statement Findings (continued)**

MATERIAL WEAKNESS/MATERIAL NONCOMPLIANCE

**Finding: 2025 - 002     Late Audit Submission**

Criteria:                    N.C. General Statute 159-34(a) states the Town should have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant. The deadline to submit June 30 year end audits to the Local Government Commission is December 31.

Condition:                The June 30, 2025 audit was due December 31, 2025, was submitted on February 27,2026

Effect:                    The governing body of the Board, management, and other cognitive agencies did not receive the results of the audit in a timely manner. Particularly in situations where the independent audit identifies any of the following: 1) findings 2) management letter comments for improvements 3) negative financial trends that need to disclose and addressed, a late audit would potentially delay timely and appropriate corrective actions.

Cause:                    Management and the board did not prioritize the timely submission of the audit.

Repeat Finding:        This is a repeat finding from the immediate previous audit, 2024-002.

Recommendation:    We recommend that the Board evaluate staffing levels within the Finance Department to ensure adequate support for the Finance Officer and maintain operational effectiveness across the business office.

Views of responsible officials and planned corrective actions:

The Town agrees with the finding and agrees to adhere to the correction action plan on page 62.

**Town of Micro, North Carolina  
Schedule of Findings and Responses (continued)  
For the Year Ended June 30, 2025**

<b>Section II. Financial Statement Findings (continued)</b>
---

MATERIAL WEAKNESS/MATERIAL NONCOMPLIANCE

**Finding: 2025 - 003      Minimum Fidelity Bond Coverage for Finance Officer**

Criteria:                    N.C. General Statute 159.29 requires that the minimum fidelity bond for the finance officer be based on the annually budgeted fund amounts for the fiscal year or \$1,000,000. The fidelity bond protects the Town against potential fraudulent activities such as embezzlement, theft, or misappropriation of funds. This helps safeguard taxpayer money and public trust.

Condition:                As of the date of this report, the finance officer is bonded for \$100,000. To comply with the statute, the Town must increase the coverage to \$112,177.

Effect:                    The Town is not in compliance with N.C. General Statute 159.29.

Cause:                    The Town was unaware of memo #2023-06, which informed finance officers about the change to the fidelity bond requirements, effective January 1, 2023.

Repeat Finding:        This was not repeat finding.

Recommendation:    The bond coverage should be increased to \$112,177 immediately.

View of responsible officials and planned corrective actions:

The Town agrees with the finding and agrees to adhere to the corrective action plan on page 62.



<b><u>TOWN OF MICRO, NORTH</u></b> <b><u>CAROLINA</u></b>	
<b>P.O. Box 9</b> <b>450 US Hwy 301 N.</b> <b>Micro, NC 27555</b>	<b>Office: 919-284-2572</b> <b>Police: 919-284-1355</b>

**Correction Action Plan**

MATERIAL WEAKNESS

**Finding 2025 – 001     Segregation of Duties**

Name of contact person: Marty Parnell, Mayor

Corrective Action: Staff from Central Pines Regional Council are providing continued support and financial assistance and are working to catch up on the Town’s back audits.

Proposed Completion Date: Immediately and ongoing.

MATERIAL WEAKNESS/MATERIAL NONCOMPLIANCE

**Finding: 2025 – 002     Late Audit Submission**

Name of Contact Person: Marty Parnell, Mayor

Corrective Action: Staff from Central Pines are providing continued support and financial assistance and are working to catch up on the Town’s prior year audits.

Proposed Completion Date: Immediately and ongoing.

MATERIAL WEAKNESS/MATERIAL NONCOMPLIANCE

**Finding 2025 - 003     Minimum Fidelity Bond Coverage for Finance Officer**

Name of contact person: Marty Parnell, Mayor

Corrective Action: The Town will increase fidelity bond for the finance officer to minimum of \$112,177

Proposed Completion Date: The Town will implement these changes for the 2026 fiscal year.

**Town of Micro, North Carolina**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2025**

Finding:	2024-001
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-001.
Finding:	2024-002
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-002.
Finding:	2023-001
Status:	The finding has been corrected.
Finding:	2023-002
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-001.
Finding:	2023-003
Status:	The finding has been corrected
Finding:	2023-004
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-002.
Finding:	2023-005
Status:	The finding has been corrected.
Finding:	2023-006
Status:	The finding has been corrected.
Finding:	2022-001
Status:	The finding has been corrected
Finding:	2022-002
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-001
Finding:	2022-003
Status:	The finding has been corrected
Finding:	2022-003
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-002
Finding:	2022-005
Status:	The finding has been corrected
Finding:	2022-006
Status:	The finding has been corrected
Finding:	2021-001
Status:	The finding has been corrected
Finding:	2021-002
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-001
Finding:	2021-003
Status:	The finding has been corrected.
Finding:	2021-004
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-002.
Finding:	2021-005
Status:	The finding has been corrected.

**Town of Micro, North Carolina**  
**Summary Schedule of Prior Audit Findings (continued)**  
**For the Year Ended June 30, 2025**

Finding:	2021-006
Status:	The finding has been corrected.
Finding:	2020-001
Status:	The finding has been corrected.
Finding:	2020-002
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-001.
Finding:	2020-003
Status:	The finding has been corrected.
Finding:	2020-004
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-002.
Finding:	2020-005
Status:	The finding has been corrected.
Finding:	2019-001
Status:	The finding has been corrected.
Finding:	2019-002
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-001.
Finding:	2019-003
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-002.

Correction Type	Account Num	Full Name	Trans Code	Rected	Trans Desc	Post Date	Trans Am
Account Num: 001-0000180-1							
Corrected ID: 68540							
NEW TRANSACTION	001-0000180-	BEATRICE & GARY EDMU	UB Bill	6854	Water Leak-Sewer Adj.	3/18/202	\$509.13
VOID TRANSACTION	001-0000180-	BEATRICE & GARY EDMU	UB BillVoid	6854	Water Leak-Sewer Adj.	3/18/202	\$1,793.3
Corrected ID: 69353							
ORIGINAL TRANSAC	001-0000180-	BEATRICE & GARY EDMU	UB PayVoided	6935	UB PAY	3/17/202	\$509.13
NEW TRANSACTION	001-0000180-	BEATRICE & GARY EDMU	UB Pay	6935	Water Leak-Sewer Adj.	3/18/202	\$509.13
VOID TRANSACTION	001-0000180-	BEATRICE & GARY EDMU	UB PayVoid	6935	Water Leak-Sewer Adj.	3/18/202	\$509.13
Account Num: 001-0000550-1							
Corrected ID: 68546							
NEW TRANSACTION	001-0000550-	CYNTHIA FORBES	UB Bill	6854	Hose bib was leaking. Sewer adjustment.	3/4/2026	\$228.47
VOID TRANSACTION	001-0000550-	CYNTHIA FORBES	UB BillVoid	6854	Hose bib was leaking. Sewer adjustment.	3/4/2026	\$567.28
Corrected ID: 68913							
VOID TRANSACTION	001-0000550-	CYNTHIA FORBES	UB PayOPAVo	6891	Hose bib was leaking. Sewer adjustment.	3/4/2026	\$228.47
Account Num: 001-0000590-1							
Corrected ID: 68743							
NEW TRANSACTION	001-0000590-	FABIOLA REYES	UB Bill	6874	Leak under home. Sewer Adj.	3/13/202	\$311.40
VOID TRANSACTION	001-0000590-	FABIOLA REYES	UB BillVoid	6874	Leak under home. Sewer Adj.	3/13/202	\$540.61
Account Num: 001-0000750-3							
Corrected ID: 68831							
NEW TRANSACTION	001-0000750-	SAILIN MURILLO	UB Bill	6883	Water Leak-Sewer Adj.	3/18/202	\$276.06
VOID TRANSACTION	001-0000750-	SAILIN MURILLO	UB BillVoid	6883	Water Leak-Sewer Adj.	3/18/202	\$499.60
Corrected ID: 69357							
ORIGINAL TRANSAC	001-0000750-	SAILIN MURILLO	UB PayVoided	6935	UB PAY	3/17/202	\$276.06

Correction Type	Account Num	Full Name	Trans Code	Trans Desc	Post Date	Trans Am
NEW TRANSACTION	001-0000750-	SALLIN MURILLO	UB Pay	6935 Water Leak-Sewer Adj.	3/18/202	\$276.06
VOID TRANSACTION	001-0000750-	SALLIN MURILLO	UB PayVoid	6935 Water Leak-Sewer Adj.	3/18/202	\$276.06
Account Num: 001-0000830-3						
Corrected ID: 68697						
NEW TRANSACTION	001-0000830-	ESTEBAN MENDOZA VALA	UB Bill	6869 Sewer adj. Broken pipe.	3/25/202	\$615.70
VOID TRANSACTION	001-0000830-	ESTEBAN MENDOZA VALA	UB BillVoid	6869 Sewer adj. Broken pipe.	3/25/202	\$1,928.3
Corrected ID: 68930						
VOID TRANSACTION	001-0000830-	ESTEBAN MENDOZA VALA	UB PayOPAVo	6893 Sewer adj. Broken pipe.	3/25/202	\$0.98
Corrected ID: 69413						
ORIGINAL TRANSACTION	001-0000830-	ESTEBAN MENDOZA VALA	UB PenVoided	6941 Late Fee-March 2026	3/16/202	\$50.00
NEW TRANSACTION	001-0000830-	ESTEBAN MENDOZA VALA	UB Penalty	6941 Sewer adj. Broken pipe.	3/25/202	\$50.00
VOID TRANSACTION	001-0000830-	ESTEBAN MENDOZA VALA	UB PenVoid	6941 Sewer adj. Broken pipe.	3/25/202	\$50.00
Corrected ID: 69897						
ORIGINAL TRANSACTION	001-0000830-	ESTEBAN MENDOZA VALA	UB PayVoided	6989 UB PAY	3/24/202	\$664.72
VOID TRANSACTION	001-0000830-	ESTEBAN MENDOZA VALA	UB PayVoid	6989 Sewer adj. Broken pipe.	3/25/202	\$664.72
Account Num: 001-0001330-2						
Corrected ID: 68553						
VOID TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB BillVoid	6855 Leak at main barr.	3/27/202	\$198.54
Corrected ID: 69419						
ORIGINAL TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB PenVoided	6941 Late Fee-March 2026	3/16/202	\$50.00
VOID TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB PenVoid	6941 Leak at main barr.	3/27/202	\$50.00
Corrected ID: 69909						
ORIGINAL TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB PayVoided	6990 UB PAY	3/25/202	\$80.00

Southern Software FMS Correction Transactions Grid

Date: 4/7/2026 3:36 PM

Correction Type	Account Num	Full Name	Trans Code	Trans Desc	Post Date	Trans Am
VOID TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB PayVoid	Leak at main barr.	3/27/202	\$80.00
Corrected ID: 69910						
ORIGINAL TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB PayVoided	UB PAY	3/25/202	\$56.67
VOID TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB PayVoid	Leak at main barr.	3/27/202	\$56.67
Corrected ID: 69994						
ORIGINAL TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB BillVoided	Leak at main barr.	3/27/202	\$126.67
NEW TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB Bill	Sewer Adj due to leak	3/27/202	\$126.67
VOID TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB BillVoid	Sewer Adj due to leak	3/27/202	\$126.67
Corrected ID: 69996						
ORIGINAL TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB PenVoided	Leak at main barr.	3/27/202	\$50.00
NEW TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB Penalty	Sewer Adj due to leak	3/27/202	\$50.00
VOID TRANSACTION	001-0001330-	Jason Tyler Tyndall	UB PenVoid	Sewer Adj due to leak	3/27/202	\$50.00
Account Num: 001-0001560-1						
Corrected ID: 69713						
ORIGINAL TRANSACTION	001-0001560-	ANTHONY BRAILSFORD	UB BillVoided	UB Bill Transaction	3/20/202	\$158.49
NEW TRANSACTION	001-0001560-	ANTHONY BRAILSFORD	UB Bill	Leak at meter on town at gasket.	3/27/202	\$36.04
VOID TRANSACTION	001-0001560-	ANTHONY BRAILSFORD	UB BillVoid	Leak at meter on town at gasket.	3/27/202	\$158.49
Account Num: 001-0001610-2						
Corrected ID: 68711						
NEW TRANSACTION	001-0001610-	Deborah House	UB Bill	Water leak under home.	3/13/202	\$235.90
VOID TRANSACTION	001-0001610-	Deborah House	UB BillVoid	Water leak under home.	3/13/202	\$431.07
Corrected ID: 69058						
ORIGINAL TRANSACTION	001-0001610-	Deborah House	UB PayVoided	Draft Payment	3/5/2026	\$431.07

Correction Type	Account Num	Full Name	Trans Code	Trans Desc	Post Date	Trans Am
NEW TRANSACTION	001-0001610-	Deborah House	UB Pay	6905 Water leak under home.	3/13/202	\$235.90
VOID TRANSACTION	001-0001610-	Deborah House	UB PayVoid	6905 Water leak under home.	3/13/202	\$431.07

Account Num: 001-0001880-1

Corrected ID: 68758

NEW TRANSACTION	001-0001880-	BUDDY JONES	UB Bill	6875 Water leak under home.	3/13/202	\$158.85
VOID TRANSACTION	001-0001880-	BUDDY JONES	UB BillVoid	6875 Water leak under home.	3/13/202	\$266.21

Corrected ID: 69211

ORIGINAL TRANSAC	001-0001880-	BUDDY JONES	UB PayVoided	6921 UB PAY	3/12/202	\$158.85
NEW TRANSACTION	001-0001880-	BUDDY JONES	UB Pay	6921 Water leak under home.	3/13/202	\$158.85
VOID TRANSACTION	001-0001880-	BUDDY JONES	UB PayVoid	6921 Water leak under home.	3/13/202	\$158.85

Corrected ID: 69712

ORIGINAL TRANSAC	001-0001880-	BUDDY JONES	UB BillVoided	6971 UB Bill Transaction	3/20/202	\$291.88
NEW TRANSACTION	001-0001880-	BUDDY JONES	UB Bill	6971 Water leak under home.	3/24/202	\$170.63
VOID TRANSACTION	001-0001880-	BUDDY JONES	UB BillVoid	6971 Water leak under home.	3/24/202	\$291.88

Account Num: 001-0002204-1

Corrected ID: 68910

VOID TRANSACTION	001-0002204-	Nivek Holmes	UB BillVoid	6891 Meter In Jason's office. Made account inactive for now until me	3/16/202	\$31.52
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Account Num: 001-0002640-2

Corrected ID: 69552

ORIGINAL TRANSAC	001-0002640-	PC PROPERTIES	UB BillVoided	6955 UB Bill Transaction	3/20/202	\$422.80
NEW TRANSACTION	001-0002640-	PC PROPERTIES	UB Bill	6955 Leak under floor at hot water heater.	3/27/202	\$198.06
VOID TRANSACTION	001-0002640-	PC PROPERTIES	UB BillVoid	6955 Leak under floor at hot water heater.	3/27/202	\$422.80

Account Num: 001-0002700-2

Corrected ID: 68825

Southern Software FMS Correction Transactions Grid

Date: 4/7/2026 3:36 PM

Correction Type	Account Num	Full Name	Trans Code	Trans Desc	Post Date	Trans Am
NEW TRANSACTION	001-0002700-	Herson David Bertrand-Ma	UB Bill	6882 Waiting to see if they are on town sewer or septic.	3/4/2026	\$84.31
VOID TRANSACTION	001-0002700-	Herson David Bertrand-Ma	UB BillVoid	6882 Waiting to see if they are on town sewer or septic.	3/4/2026	\$168.95
Corrected ID: 68985						
ORIGINAL TRANSAC	001-0002700-	Herson David Bertrand-Ma	UB PayVoided	6898 UB PAY	3/2/2026	\$84.31
NEW TRANSACTION	001-0002700-	Herson David Bertrand-Ma	UB Pay	6898 Waiting to see if they are on town sewer or septic.	3/4/2026	\$84.31
VOID TRANSACTION	001-0002700-	Herson David Bertrand-Ma	UB PayVoid	6898 Waiting to see if they are on town sewer or septic.	3/4/2026	\$84.31
Account Num: 001-0002710-1						
Corrected ID: 68757						
NEW TRANSACTION	001-0002710-	MESHILLE FUSSELL	UB Bill	6875 Sewer Adjustment, water leak.	3/3/2026	\$345.76
VOID TRANSACTION	001-0002710-	MESHILLE FUSSELL	UB BillVoid	6875 Sewer Adjustment, water leak.	3/3/2026	\$612.15

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3/1/2026 - 3/31/2026

GL Account - 31-100-0000 Cash - KS Bank General

Date	Transaction Description	Source	Debits	Credits	Source Date
Fiscal Year 25-26		Beg-Balance	\$354,232.64		\$0.00
03/02/2026	BIG BOY'S TRUCK STOP	AP CK	\$0.00	\$158.94	03/02/2026 Batch-138452
03/02/2026	Kimberly A Moffett	AP CK	\$0.00	\$1,337.50	03/02/2026 Batch-138457
03/02/2026	TOWN OF KENLY WATER DEPT.	AP CK	\$0.00	\$11,888.61	03/02/2026 Batch-138452
03/02/2026	UB Pay	UB PM	\$887.80	\$0.00	03/02/2026 Batch-138449
03/02/2026	UB Pay	UB PM	\$236.02	\$0.00	03/02/2026 Batch-138455
03/02/2026	VC3, INC.	AP CK	\$0.00	\$676.45	03/02/2026 Batch-138452
03/03/2026	BCBS March 2026	GL CD	\$0.00	\$1,482.28	03/03/2026 Batch-138466
03/03/2026	UB DepApp	UB DA	\$377.18	\$471.18	03/03/2026 Batch-138465
03/03/2026	UB DepRef	UB DR	\$28.82	\$28.82	03/03/2026 Batch-138465
03/03/2026	UB Pay	UB PM	\$874.17	\$0.00	03/03/2026 Batch-138458
03/03/2026	UB PayOPR	UB PM	\$456.95	\$0.00	03/03/2026 Batch-138458
03/04/2026	UB Pay	UB PM	\$199.15	\$0.00	03/04/2026 Batch-138467
03/04/2026	UB Pay	UB PM	\$60.81	\$0.00	03/04/2026 Batch-138470
03/04/2026	UB PayOPA	UB PM	\$228.47	\$228.47	03/04/2026 Batch-138469
03/04/2026	UB PayOPAVoid	UB PV	\$228.47	\$228.47	03/04/2026 Batch-138469
03/04/2026	UB PayVoid	UB PV	\$0.00	\$84.31	03/04/2026 Batch-138470
03/05/2026	UB DepRec	UB DP	\$175.00	\$0.00	03/05/2026 Batch-138472
03/05/2026	UB Pay	UB PM	\$869.25	\$0.00	03/05/2026 Batch-138472
03/06/2026	PR Post Checks	PR CK	\$0.00	\$3,508.33	03/02/2026 Batch-138453

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03/07/2026	UB Pay	UB	PM	\$65.71	\$0.00	03/11/2026
						Batch-138476
03/08/2026	UB Pay	UB	PM	\$311.12	\$0.00	03/11/2026
						Batch-138478
03/09/2026	Duke Energy-Pump 1	GL	CD	\$0.00	\$82.07	02/18/2026
						Batch-138408
03/09/2026	Duke Energy-Pump 2	GL	CD	\$0.00	\$73.42	02/18/2026
						Batch-138409
03/09/2026	Duke Energy-Pump 3	GL	CD	\$0.00	\$59.83	02/18/2026
						Batch-138410
03/09/2026	Duke Energy-Pump 4	GL	CD	\$0.00	\$75.46	02/18/2026
						Batch-138411
03/09/2026	Duke Energy-Pump 5	GL	CD	\$0.00	\$144.25	02/18/2026
						Batch-138412
03/09/2026	Duke Energy-Pump 6	GL	CD	\$0.00	\$85.40	02/18/2026
						Batch-138413
03/09/2026	Duke Energy-Pump 7	GL	CD	\$0.00	\$159.48	02/18/2026
						Batch-138414
03/09/2026	Duke Energy-Sewer Flow Meter	GL	CD	\$0.00	\$60.22	02/18/2026
						Batch-138417
03/09/2026	Duke Energy-Town Hall	GL	CD	\$0.00	\$189.04	02/18/2026
						Batch-138406
03/09/2026	Duke Energy-Well 1	GL	CD	\$0.00	\$340.00	02/18/2026
						Batch-138415
03/09/2026	Duke Energy-Well 3	GL	CD	\$0.00	\$348.95	02/18/2026
						Batch-138416
03/09/2026	UB Pay	UB	PM	\$192.98	\$0.00	03/05/2026
						Batch-138475
03/09/2026	UB Pay	UB	PM	\$5,940.78	\$0.00	03/09/2026
						Batch-138473
03/09/2026	UB Pay	UB	PM	\$3,261.26	\$0.00	03/09/2026
						Batch-138475
03/09/2026	UB Pay	UB	PM	\$1,902.32	\$0.00	03/10/2026
						Batch-138475
03/09/2026	UB Pay	UB	PM	\$1,837.69	\$0.00	03/11/2026
						Batch-138475
03/09/2026	UB Pay	UB	PM	\$159.93	\$0.00	03/11/2026
						Batch-138477
03/09/2026	UB PayOPR	UB	PM	\$0.11	\$0.00	03/09/2026
						Batch-138475
03/09/2026	UB PayVoid	UB	PV	\$0.00	\$271.48	03/09/2026

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03/09/2026	UB PayVoid	UB	PV	\$0.00	\$113.05	03/10/2026
Batch-138475						
03/11/2026	ASHLYN RAE MURDOCK	AP	CK	\$0.00	\$28.82	03/11/2026
Batch-138482						
03/11/2026	BIG BOY'S TRUCK STOP	AP	CK	\$0.00	\$87.69	03/11/2026
Batch-138482						
03/11/2026	JOHNSTON COUNTY UTILITY DEPT.	AP	CK	\$0.00	\$641.84	03/11/2026
Batch-138482						
03/11/2026	SOUTHERN SOFTWARE, INC.	AP	CK	\$0.00	\$170.88	03/11/2026
Batch-138482						
03/11/2026	Spectrum - TIME WARNER CABLE	AP	CK	\$0.00	\$94.16	03/11/2026
Batch-138482						
03/11/2026	UB Pay	UB	PM	\$23,659.49	\$0.00	03/11/2026
Batch-138479						
03/11/2026	UB Pay	UB	PM	\$92.38	\$0.00	03/12/2026
Batch-138479						
03/12/2026	BIG BOY'S TRUCK STOP	AP	CK	\$0.00	\$76.08	03/12/2026
Batch-138490						
03/12/2026	MERITECH, INC.	AP	CK	\$0.00	\$225.00	03/12/2026
Batch-138492						
03/12/2026	UB Pay	UB	PM	\$2,901.92	\$0.00	03/12/2026
Batch-138485						
03/12/2026	UB Pay	UB	PM	\$191.36	\$0.00	03/13/2026
Batch-138485						
03/12/2026	UB PayOPR	UB	PM	\$75.97	\$0.00	03/12/2026
Batch-138485						
03/12/2026	UB PayOPR	UB	PM	\$13.24	\$0.00	03/13/2026
Batch-138485						
03/13/2026	UB DepRec	UB	DP	\$175.00	\$0.00	03/13/2026
Batch-138493						
03/13/2026	UB Pay	UB	PM	\$2,391.87	\$0.00	03/13/2026
Batch-138493						
03/13/2026	UB Pay	UB	PM	\$158.85	\$0.00	03/13/2026
Batch-138495						
03/13/2026	UB Pay	UB	PM	\$212.40	\$0.00	03/13/2026
Batch-138496						
03/13/2026	UB Pay	UB	PM	\$617.22	\$0.00	03/16/2026
Batch-138493						
03/13/2026	UB PayOPR	UB	PM	\$51.42	\$0.00	03/13/2026
Batch-138493						
03/13/2026	UB PayOPR	UB	PM	\$195.17	\$0.00	03/13/2026

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03/13/2026	UB PayVoid	UB	PV	\$0.00	\$158.85	03/13/2026
						Batch-138495
03/13/2026	UB PayVoid	UB	PV	\$0.00	\$407.57	03/13/2026
						Batch-138496
03/14/2026	UB Pay	UB	PM	\$1,200.03	\$0.00	03/16/2026
						Batch-138500
03/15/2026	UB Pay	UB	PM	\$1,449.03	\$0.00	03/16/2026
						Batch-138501
03/15/2026	UB PayOPR	UB	PM	\$35.20	\$0.00	03/16/2026
						Batch-138501
03/16/2026	BIG BOY'S TRUCK STOP	AP	CK	\$0.00	\$166.62	03/16/2026
						Batch-138506
03/16/2026	CLEGG'S TERMITE & PEST CONTROL	AP	CK	\$0.00	\$15.00	03/16/2026
						Batch-138506
03/16/2026	CORE & MAIN LP	AP	CK	\$0.00	\$1,797.14	03/16/2026
						Batch-138506
03/16/2026	Napa Auto Parts	AP	CK	\$0.00	\$16.82	03/16/2026
						Batch-138506
03/16/2026	NC/DEQ-DWI	AP	CK	\$0.00	\$5,788.00	03/16/2026
						Batch-138506
03/16/2026	PUBLIC UTILITY SOLUTIONS	AP	CK	\$0.00	\$16,850.00	03/16/2026
						Batch-138506
03/16/2026	Southdata	AP	CK	\$0.00	\$353.31	03/16/2026
						Batch-138506
03/16/2026	UB Pay	UB	PM	\$9,513.76	\$0.00	03/16/2026
						Batch-138502
03/16/2026	UB PayOPR	UB	PM	\$139.03	\$0.00	03/16/2026
						Batch-138502
03/16/2026	VC3, INC.	AP	CK	\$0.00	\$109.23	03/16/2026
						Batch-138506
03/16/2026	VISA	AP	CK	\$0.00	\$1,294.68	03/16/2026
						Batch-138506
03/17/2026	Batch #138539 Debt setoff K. Lee	GL	GJ	\$0.00	\$67.50	03/20/2026
						Batch-138544
03/17/2026	UB DepRec	UB	DP	\$175.00	\$0.00	03/17/2026
						Batch-138509
03/17/2026	UB ManPay	UB	PM	\$67.50	\$0.00	03/20/2026
						Batch-138539
03/17/2026	UB ManPay	UB	PM	\$266.02	\$0.00	03/20/2026
						Batch-138540
03/17/2026	UB ManPay	UB	PM	\$143.40	\$0.00	03/20/2026

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03/17/2026	UB Pay	UB	PM	\$567.34	\$0.00	03/17/2026
						Batch-138509
03/17/2026	Batch #138540 Debt setoff A. Pomales	GL	GJ	\$0.00	\$266.02	03/20/2026
						Batch-138546
03/17/2026	Batch #138541 Debt setoff V. Taylor	GL	GJ	\$0.00	\$143.40	03/20/2026
						Batch-138547
03/18/2026	Federal W/H Tax-March 2026	GL	CD	\$0.00	\$1,828.36	03/18/2026
						Batch-138516
03/18/2026	State W/H Tax-March 2026	GL	CD	\$0.00	\$265.20	03/18/2026
						Batch-138515
03/18/2026	UB Pay	UB	PM	\$509.13	\$0.00	03/18/2026
						Batch-138513
03/18/2026	UB Pay	UB	PM	\$276.06	\$0.00	03/18/2026
						Batch-138514
03/18/2026	UB PayVoid	UB	PV	\$0.00	\$509.13	03/18/2026
						Batch-138513
03/18/2026	UB PayVoid	UB	PV	\$0.00	\$276.06	03/18/2026
						Batch-138514
03/19/2026	State Retirement March 2026	GL	CD	\$0.00	\$1,823.82	03/19/2026
						Batch-138536
03/19/2026	UB Pay	UB	PM	\$522.21	\$0.00	03/19/2026
						Batch-138535
03/20/2026	Batch #138538 Debt setoff S. Hamilton	GL	GJ	\$0.00	\$117.09	03/20/2026
						Batch-138543
03/20/2026	PR Post Checks	PR	CK	\$0.00	\$3,508.33	03/17/2026
						Batch-138510
03/20/2026	UB ManPay	UB	PM	\$117.09	\$0.00	03/20/2026
						Batch-138538
03/20/2026	UB Pay	UB	PM	\$135.84	\$0.00	03/20/2026
						Batch-138537
03/20/2026	UB PayOPA	UB	PM	\$667.39	\$761.39	03/20/2026
						Batch-138548
03/21/2026	UB Pay	UB	PM	\$388.42	\$0.00	03/23/2026
						Batch-138549
03/23/2026	UB Pay	UB	PM	\$1,637.29	\$0.00	03/23/2026
						Batch-138550
03/23/2026	UB Pay	UB	PM	\$118.50	\$0.00	03/24/2026
						Batch-138550
03/24/2026	UB Pay	UB	PM	\$211.67	\$0.00	03/24/2026
						Batch-138552
03/25/2026	UB ManPay	UB	PM	\$664.72	\$0.00	03/25/2026
						Batch-138558

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3/1/2026 - 3/31/2026

03/25/2026	UB Pay	UB	PM	\$9,083.65	\$0.00	03/25/2026
						Batch-138555
03/25/2026	UB Pay	UB	PM	\$157.50	\$0.00	03/26/2026
						Batch-138555
03/25/2026	UB PayOPA	UB	PM	\$0.98	\$0.98	03/25/2026
						Batch-138557
03/25/2026	UB PayOPAVoid	UB	PV	\$0.98	\$0.98	03/25/2026
						Batch-138557
03/25/2026	UB PayVoid	UB	PV	\$0.00	\$664.72	03/25/2026
						Batch-138557
03/26/2026	MERITECH, INC.	AP	CK	\$0.00	\$84.00	03/26/2026
						Batch-138566
03/26/2026	SURF & TURF	AP	CK	\$0.00	\$26.69	03/26/2026
						Batch-138564
03/26/2026	UB Pay	UB	PM	\$1,664.45	\$0.00	03/26/2026
						Batch-138562
03/26/2026	VC3, INC.	AP	CK	\$0.00	\$437.24	03/26/2026
						Batch-138564
03/27/2026	UB ManPay	UB	PM	\$113.17	\$0.00	03/27/2026
						Batch-138574
03/27/2026	UB Pay	UB	PM	\$676.17	\$0.00	03/27/2026
						Batch-138567
03/27/2026	UB Pay	UB	PM	\$77.01	\$0.00	03/30/2026
						Batch-138567
03/27/2026	UB PayOPR	UB	PM	\$12.02	\$0.00	03/27/2026
						Batch-138567
03/27/2026	UB PayVoid	UB	PV	\$0.00	\$136.67	03/27/2026
						Batch-138572
03/28/2026	UB Pay	UB	PM	\$12.54	\$0.00	03/30/2026
						Batch-138575
03/28/2026	UB PayOPR	UB	PM	\$122.45	\$0.00	03/30/2026
						Batch-138575
03/30/2026	UB DepRec	UB	DP	\$100.00	\$0.00	03/30/2026
						Batch-138576
03/30/2026	UB Pay	UB	PM	\$1,471.87	\$0.00	03/30/2026
						Batch-138576
03/31/2026	Interest March 2026	GL	CR	\$107.24	\$0.00	04/01/2026
						Batch-138593
03/31/2026	KS Bank #6495 Interest Mar 2026	GL	CR	\$100.01	\$0.00	04/01/2026
						Batch-138596
03/31/2026	UB Pay	UB	PM	\$459.69	\$0.00	03/31/2026

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03/31/2026	UB Pay	UB	PM	\$124.29	\$0.00	04/01/2026
						Batch-138582
03/31/2026	Void-Interest March 2026	GL	CR	\$0.00	\$107.24	04/01/2026
						Batch-138595
		Transaction Totals		\$82,118.93	\$61,402.52	
**	31-100-0000 Cash - KS Bank General	End - Balance		\$374,949.05	\$0.00	

## Budget vs Actual

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Period Ending 6/30/2026

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11 GENERAL		Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Revenues								
Description								
11-101-0003 ARPA monies moved into Account from GF		0	0.00	0.00	0.00	0.00	0.00	0.00
11-136-0690 Due from Fund 69		0	0.00	0.00	0.00	0.00	0.00	0.00
11-200-3311 FEMA Reimbursement		0	0.00	0.00	0.00	0.00	0.00	0.00
11-250-1000 Fund Balance Appropriated		7,500	0.00	0.00	0.00	0.00	(7,500.00)	
11-300-0000 *****GENERAL FUND REVENUES*****		0	0.00	0.00	0.00	0.00	0.00	0.00
11-300-3100 Current Year Taxes		185,024	0.00	0.00	2,534.44	187,831.35	2,807.35	102%
11-300-3150 Prior Year Taxes		0	0.00	0.00	0.00	0.00	0.00	0.00
11-300-3175 Tax Penalties & Interest		150	0.00	0.00	0.00	13.03	(136.97)	9%
11-300-3199 Vehicle Tax		20,800	0.00	0.00	0.00	13,725.64	(7,074.36)	66%
11-310-3230 Local Government Sales Tax		69,300	0.00	0.00	0.00	68,677.12	(622.88)	99%
11-310-3322 Beer & Wine Tax		1,900	0.00	0.00	0.00	0.00	(1,900.00)	
11-310-3324 Electricity Tax		20,000	0.00	0.00	0.00	16,716.87	(3,283.13)	84%
11-310-3325 Telecommunications Tax		700	0.00	0.00	0.00	851.41	151.41	122%
11-310-3326 Video Programming Tax		0	0.00	0.00	0.00	391.65	391.65	
11-310-3328 Solid Waste Disposal Tax		400	0.00	0.00	0.00	303.46	(96.54)	76%
11-330-3316 Powell Bill Allocation		12,000	0.00	0.00	0.00	18,254.52	6,254.52	152%
11-330-3345 Zoning Permit		1,500	0.00	0.00	590.70	3,155.70	1,655.70	210%
11-330-3850 Department of Commerce Grant		0	0.00	0.00	0.00	0.00	0.00	0.00
11-330-3900 General Assembly Appropriation		0	0.00	0.00	0.00	0.00	0.00	0.00
11-340-3311 FEMA Reimbursement		0	0.00	0.00	0.00	0.00	0.00	0.00
11-350-3471 Garbage Fees		52,965	0.00	0.00	802.78	48,332.75	(4,632.25)	91%
11-350-3475 Household Debris		0	0.00	0.00	0.00	0.00	0.00	0.00
11-380-3831 Parks and Rec Revenues		0	0.00	0.00	0.00	165.00	165.00	
11-380-3832 Clerk of Court		50	0.00	0.00	0.00	4.50	(45.50)	9%
11-380-3833 Police Department Donations		0	0.00	0.00	0.00	0.00	0.00	0.00
11-380-3834 Park Grant & Donations		0	0.00	0.00	0.00	0.00	0.00	0.00

## Budget vs Actual

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Period Ending 6/30/2026

11 GENERAL									
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent		
11-380-3835 Lease Rent-US Cellular	12,000	0.00	0.00	0.00	11,058.29	(941.71)	92%		
11-380-3836 Community Building Rental	700	0.00	0.00	0.00	970.00	270.00	139%		
11-380-3837 ABC Board	4,595	0.00	0.00	0.00	1,353.78	(3,241.22)	29%		
11-380-3838 Gasoline Tax	0	0.00	0.00	0.00	0.00	0.00			
11-380-3839 Miscellaneous Revenue	1,000	0.00	0.00	0.00	766.98	(233.02)	77%		
11-380-3840 Gasoline Tax Refund	0	0.00	0.00	0.00	0.00	0.00			
11-380-3850 Sale of Surplus Property	0	0.00	0.00	0.00	0.00	0.00			
11-380-3860 Sale of Real Property	0	0.00	0.00	0.00	70,300.00	70,300.00			
11-385-3831 Interest Income	1,300	0.00	0.00	0.00	2,302.45	1,002.45	177%		
11-390-3930 Transfer In Special Revenue Fund	0	0.00	0.00	0.00	0.00	0.00			
11-390-3999 Fund Balance Appropriated	0	0.00	0.00	0.00	0.00	0.00			
11-612-3301 Parks and Recreation	265	0.00	0.00	0.00	0.00	(265.00)			
11-999-9999 Contingency	0	0.00	0.00	0.00	0.00	0.00			
<b>Revenues Totals:</b>	<b>392,149</b>	<b>0.00</b>	<b>0.00</b>	<b>3,927.92</b>	<b>445,174.50</b>	<b>53,025.50</b>	<b>114%</b>		
<b>Expenses</b>									
11-101-0002 Community Building Revenue to Bring Monies In	0	0.00	0.00	0.00	0.00	0.00			
11-101-0004 ARPA monies moved out as Expenses	0	0.00	0.00	0.00	0.00	0.00			
<b>Totals:</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
11-410-0000 ****GOVERNING BOARD****	0	0.00	0.00	0.00	0.00	0.00			
11-410-0800 Payroll-Mayor & Commissioners	1,700	0.00	0.00	0.00	1,700.00	0.00	100%		
11-410-0900 Payroll Taxes-Board	140	0.00	0.00	0.00	130.05	9.95	93%		
11-410-1150 Workers Compensation	100	0.00	0.00	0.00	100.00	0.00	100%		
11-410-3100 Travel-schools	0	0.00	0.00	0.00	0.00	0.00			
11-410-4500 General Insurance	125	0.00	0.00	0.00	125.00	0.00	100%		
11-410-4910 Dues & Subscription	4,500	0.00	0.00	0.00	2,368.67	2,131.33	53%		
11-410-6100 Election Costs	3,000	0.00	0.00	0.00	0.00	3,000.00			

## Budget vs Actual

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11 GENERAL		Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Description								
11-410-9000 Community Support		0	0.00	0.00	0.00	0.00	0.00	0.00
<b>GOVERNING BODY Totals:</b>		<b>9,565</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,423.72</b>	<b>5,141.28</b>	<b>46%</b>
<b>11-420-0000 ****ADMINISTRATION****</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
11-420-0100 Salaries-Finance Officer		39,500	0.00	0.00	1,020.00	27,890.71	11,609.29	71%
11-420-0200 Salary Admin Other- Deputy Clerk		0	0.00	0.00	0.00	0.00	0.00	0.00
<b>11-420-0600 State Retirement - EMPLOYER CONTRIBUTION</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
11-420-0900 Payroll Taxes		3,022	0.00	0.00	78.03	2,133.65	888.35	71%
11-420-1000 State Retirement		5,668	0.00	0.00	146.37	3,660.71	2,007.29	65%
11-420-1100 Health Insurance		0	0.00	0.00	0.00	0.00	0.00	0.00
11-420-1150 Workers' Comp. Insurance		1,000	0.00	0.00	0.00	1,000.00	0.00	100%
11-420-1800 Accounting Fees		0	0.00	0.00	0.00	0.00	0.00	0.00
11-420-1850 Audit		15,000	0.00	0.00	7,500.00	24,887.30	(9,887.30)	166%
11-420-1900 Legal		7,000	100.00	0.00	0.00	4,250.00	2,650.00	62%
11-420-2000 Salaries-Part-Time		0	0.00	0.00	0.00	0.00	0.00	0.00
11-420-2600 Office Supplies		3,500	806.26	0.00	0.00	1,987.71	706.03	80%
11-420-2900 Departmental Supplies		1,500	291.20	0.00	0.00	655.57	553.23	63%
11-420-2920 Contracted Services		39,000	250.00	0.00	1,650.00	35,730.04	3,019.96	92%
11-420-3100 Travel-Schools		1,000	0.00	0.00	0.00	0.00	1,000.00	0.00
11-420-3200 Telephone		1,800	0.00	0.00	75.00	1,573.14	226.86	87%
11-420-3250 Postage		500	0.00	0.00	0.00	314.14	185.86	63%
11-420-3251 Post Office Box Rent		150	0.00	0.00	0.00	0.00	150.00	0.00
11-420-3300 Utilities		2,300	0.00	0.00	152.48	1,631.76	668.24	71%
11-420-3575 Repair & Maintenance-Building		0	0.00	0.00	0.00	0.00	0.00	0.00
11-420-3700 Advertising		500	0.00	0.00	0.00	67.03	432.97	13%
11-420-3800 Computer Support		16,000	347.68	0.00	0.00	8,595.39	7,056.93	56%
11-420-4500 General Insurance		6,000	0.00	0.00	0.00	5,829.75	170.25	97%
11-420-4501 Employee Bonding		1,000	0.00	0.00	0.00	21.92	978.08	2%

## Budget vs Actual

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11 GENERAL

Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
11-420-4900 Tax Collection Expense	4,012	0.00	0.00	50.69	3,962.50	49.50	99%
11-420-4950 Bank Charges	250	0.00	0.00	0.00	28.23	221.77	11%
11-420-7100 USDA Loan Principal	14,000	0.00	0.00	0.00	0.00	14,000.00	
11-420-7199 Trasnfer Out	0	0.00	0.00	0.00	0.00	0.00	
11-420-7200 USDA Loan Interest	950	0.00	0.00	0.00	0.00	950.00	
11-420-9000 Miscellaneous Expense	0	0.00	0.00	0.00	564.49	(564.49)	
11-420-9999 Contingency	49,642	0.00	0.00	0.00	0.00	49,642.00	
<b>ADMINISTRATION Totals:</b>	<b>213,294</b>	<b>1,795.14</b>	<b>0.00</b>	<b>10,672.57</b>	<b>124,784.04</b>	<b>86,714.82</b>	<b>59%</b>
11-430-0000 ****POLICE****	0	0.00	0.00	0.00	0.00	0.00	
11-430-0100 Salaries	0	0.00	0.00	0.00	0.00	0.00	
11-430-0200 Salaries-Part-Time	0	0.00	0.00	0.00	0.00	0.00	
11-430-0400 Police Separation Allowance	0	0.00	0.00	0.00	0.00	0.00	
11-430-0600 Police 401K	0	0.00	0.00	0.00	0.00	0.00	
11-430-0900 Payroll Taxes	0	0.00	0.00	0.00	0.00	0.00	
11-430-1000 State Retirement	0	0.00	0.00	0.00	0.00	0.00	
11-430-1100 Health Insurance	0	0.00	0.00	0.00	0.00	0.00	
11-430-1150 Workers Compensation	0	0.00	0.00	0.00	0.00	0.00	
11-430-2500 Gasoline & Fuel Oil-Vehicles	250	84.00	0.00	0.00	16.00	150.00	40%
11-430-2600 Office Supplies	0	0.00	0.00	0.00	0.00	0.00	
11-430-2900 Departmental Supplies	0	0.00	0.00	0.00	0.00	0.00	
11-430-2950 Uniforms & Boots	0	0.00	0.00	0.00	0.00	0.00	
11-430-3100 Travel-Schools	0	0.00	0.00	0.00	0.00	0.00	
11-430-3200 Telephone	0	0.00	0.00	0.00	0.00	0.00	
11-430-3300 Utilities	300	0.00	0.00	0.00	235.50	64.50	79%
11-430-3500 Repairs & Maintenance-Vehicles & Trucks	600	0.00	0.00	0.00	550.00	50.00	92%
11-430-3550 Repairs & Maintenance-Equipment	0	0.00	0.00	0.00	0.00	0.00	
11-430-3575 Repairs &	0	0.00	0.00	0.00	0.00	0.00	

## Budget vs Actual

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**11 GENERAL**

Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
<b>Maintenance-Buildings</b>							
11-430-3800 Computer Support	0	0.00	0.00	0.00	98.38	(98.38)	
11-430-4500 General Insurance	0	0.00	0.00	0.00	0.00	0.00	
11-430-5500 Capital Outlay	0	0.00	0.00	0.00	0.00	0.00	
11-430-7100 USDA Loan Payment-Principal	0	0.00	0.00	0.00	0.00	0.00	
11-430-7200 USDA Loan Interest Expense	0	0.00	0.00	0.00	0.00	0.00	
11-434-0000 ****FIRE DEPARTMENT****	0	0.00	0.00	0.00	0.00	0.00	
11-434-6900 Fire Department Tax	42,000	3,671.60	0.00	0.00	38,328.40	0.00	100%
11-450-0000 ****STREETS****	0	0.00	0.00	0.00	0.00	0.00	
11-450-0100 Salaries	30,000	0.00	0.00	192.32	27,085.97	2,914.03	90%
11-450-0200 Salaries-Part-Time	0	0.00	0.00	0.00	0.00	0.00	
11-450-0500 RR Crossing Gates	0	0.00	0.00	0.00	0.00	0.00	
11-450-0900 Payroll Taxes	2,000	0.00	0.00	14.71	2,071.96	(71.96)	104%
11-450-1000 State Retirement	3,780	0.00	0.00	27.60	3,869.51	(89.51)	102%
11-450-1100 Health Insurance	6,100	0.00	0.00	78.00	6,688.90	(588.90)	110%
11-450-1150 Workers Compensation	3,000	0.00	0.00	0.00	(3,207.82)	6,207.82	-107%
11-450-2500 Gasoline & Fuel Oil- Vehicles	1,600	734.67	0.00	0.00	1,168.73	(303.40)	119%
11-450-2550 Gasoline & Fuel Oil-Equipment	1,000	308.06	0.00	0.00	483.72	208.22	79%
11-450-2900 Departmental Supplies	1,000	0.00	0.00	0.00	852.78	147.22	85%
11-450-2950 Uniforms & Boots	0	0.00	0.00	0.00	0.00	0.00	
11-450-2999 Christmas Expense	1,800	215.85	0.00	35.52	662.32	921.83	49%
11-450-3300 Utilities	400	0.00	0.00	35.52	335.52	64.48	84%
11-450-3350 Street Lights	10,300	0.00	0.00	1,009.70	8,872.42	1,427.58	86%
11-450-3500 Repairs & Maintenance- Vehicles & Trucks	1,800	0.00	0.00	0.00	1,099.38	700.62	61%
11-450-3550 Repairs & Maintenance- Equipment	2,000	970.03	0.00	0.00	2,137.35	(1,107.38)	155%
11-450-3575 Repairs & Maintenance- Buildings	1,250	0.00	0.00	0.00	0.00	1,250.00	
11-450-3900 Inmate Service Program	0	0.00	0.00	0.00	0.00	0.00	

## Budget vs Actual

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11 GENERAL										
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent			
11-450-5500 Capital Outlay	12,000	0.00	0.00	0.00	0.00	12,000.00				
11-450-6000 Powell Bill Expenditures	0	1,239.84	0.00	0.00	4,255.25	(5,495.09)				
11-450-6950 FEMA Grant Expenditures	0	0.00	0.00	0.00	0.00	0.00				
11-470-0000 ****SANITATION****	0	0.00	0.00	0.00	0.00	0.00				
11-470-3350 Utilities - Dump Site	500	0.00	0.00	35.52	351.42	148.58	70%			
11-470-4990 Garbage Pick-up Contract	40,660	11,672.02	0.00	0.00	25,185.74	3,802.24	91%			
11-470-4995 Johnston County Landfill Fees	0	0.00	0.00	0.00	0.00	0.00				
11-612-0000 ****RECREATION****	0	0.00	0.00	0.00	0.00	0.00				
11-612-3300 Utilities-Park & Comm. Bldg.	1,200	150.00	0.00	92.99	1,082.15	(32.15)	103%			
11-612-3302 Parks and Recreation Expense	250	0.00	0.00	0.00	227.79	22.21	91%			
11-612-3550 Repairs & Maintenance-Equipment	500	0.00	0.00	0.00	0.00	500.00				
11-612-3575 Repairs & Maintenance-Buildings	5,000	75.00	0.00	0.00	6,397.44	(1,472.44)	129%			
<b>Totals:</b>	<b>169,290</b>	<b>19,121.07</b>	<b>0.00</b>	<b>1,521.88</b>	<b>128,848.81</b>	<b>21,320.12</b>	<b>87%</b>			
<b>Expenses Totals:</b>	<b>392,149</b>	<b>20,916.21</b>	<b>0.00</b>	<b>12,194.45</b>	<b>258,056.57</b>	<b>113,176.22</b>	<b>71%</b>			
<b>11 GENERAL Revenues Over/(Under) Expenses:</b>			<b>0.00</b>	<b>(8,266.53)</b>	<b>187,117.93</b>					

# Budget vs Actual

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31 WATER & SEWER		Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent	
Description									
<b>Revenues</b>									
31-500-0000 ****WATER & SEWER REVENUES****	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31-500-1000 Fund Balance Appropriated	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31-500-3713 Water Fees	244,227	0.00	0.00	0.00	2,218.40	193,145.22	(51,081.78)	79%	
31-500-3715 Water Taps	1,500	0.00	0.00	0.00	0.00	0.00	(1,500.00)		
31-500-3716 Water Meters	0	0.00	0.00	0.00	1,100.00	5,050.00	5,050.00		
31-500-3717 Water Inspection Fees	0	0.00	0.00	0.00	1,200.00	4,800.00	4,800.00		
31-500-3720 Water Admin. Fees	2,680	0.00	0.00	0.00	75.00	3,430.02	750.02	128%	
31-500-3725 Non Payment Fees	2,800	0.00	0.00	0.00	100.00	4,457.23	1,657.23	159%	
31-500-3735 Returned Check Fees	100	0.00	0.00	0.00	0.00	120.00	20.00	120%	
31-500-3930 Transfer from Special Revenue Fund	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-500-3931 Transfer from GF	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-555-3714 Sewer Fees	306,450	0.00	0.00	0.00	2,686.60	229,176.62	(77,273.38)	75%	
31-555-3715 Sewer Taps	0	0.00	0.00	0.00	0.00	2,400.00	2,400.00		
31-555-3717 Sewer Inspection Fees	1,200	0.00	0.00	0.00	600.00	1,800.00	600.00	150%	
31-555-3730 Late Fees	11,900	0.00	0.00	0.00	99.05	20,247.21	8,347.21	170%	
31-595-3831 Interest Earned	1,600	0.00	0.00	0.00	0.00	2,422.06	822.06	151%	
31-599-3311 FEMA Grants	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-599-3839 Miscellaneous	0	0.00	0.00	0.00	0.00	1,035.81	1,035.81		
31-599-4000 Insurance Proceeds	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-599-9000 Transfer In	0	0.00	0.00	0.00	0.00	0.00	0.00		
<b>Revenues Totals:</b>	<b>572,457</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8,079.05</b>	<b>468,084.17</b>	<b>(104,372.83)</b>	<b>82%</b>	
<b>Expenses</b>									
31-710-0000 ****WATER & SEWER ADMIN****	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31-710-0100 Salaries-Finance Officer	27,500	0.00	0.00	0.00	1,020.00	23,719.61	3,780.39	86%	
31-710-0150 Accrued Vacation Pay	0	0.00	0.00	0.00	0.00	0.00	0.00		

Water & Sewer Admin. D.

Budget vs Actual  
 133,630.00, Expenditures 131,357.53 Diff. 17,372.47

Revenue: 133,630.00, 75%  
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31 WATER & SEWER

Adjustment	Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
31-710-0900	Payroll Taxes-Admin	2,104	0.00	0.00	78.03	1,814.56	289.44	86%
31-710-1000	Retirement Expense	3,946	0.00	0.00	146.37	3,063.20	882.80	78%
31-710-1100	Health Ins	0	0.00	0.00	0.00	0.00	0.00	
31-710-1150	Workers' Comp Insurance	1,500	0.00	0.00	0.00	1,500.00	0.00	100%
31-710-1800	Accounting Fees	0	0.00	0.00	0.00	0.00	0.00	
31-710-1850	Audit	15,000	0.00	0.00	7,500.00	24,250.00	(9,250.00)	162%
31-710-1900	Legal	1,000	0.00	0.00	0.00	0.00	1,000.00	
31-710-2600	Office Supplies	1,000	500.00	0.00	0.00	327.62	172.38	83%
31-710-2900	Departmental Supplies	2,200	179.82	0.00	0.00	1,123.13	897.05	59%
31-710-2920	Contracted Services	53,180	1,998.84	0.00	1,650.00	45,339.29	5,841.87	89%
31-710-3100	Schools-Training	600	0.00	0.00	0.00	457.35	142.65	76%
31-710-3200	Telephone & Internet	2,000	0.00	0.00	75.00	1,573.13	426.87	79%
31-710-3300	Utilities	2,000	0.00	0.00	152.49	1,631.79	368.21	82%
31-710-3700	Advertising	300	0.00	0.00	0.00	0.00	300.00	
31-710-3800	Computer Support	14,000	194.56	0.00	0.00	10,594.54	3,210.90	77%
31-710-4500	General Insurance	6,300	0.00	0.00	0.00	5,829.74	470.26	93%
31-710-4950	Bank & Charge Card Fees	1,000	0.00	0.00	0.00	33.57	966.43	3%
31-710-4955	Bad Debts	0	0.00	0.00	0.00	0.00	0.00	
31-710-5500	Capital Outlay	0	0.00	0.00	0.00	0.00	0.00	
31-710-9999	Contingency	0	0.00	0.00	0.00	0.00	0.00	
31-730-0000	***WATER OPERATIONS***	0	0.00	0.00	0.00	0.00	0.00	
31-730-0100	Salaries	29,500	0.00	0.00	1,795.47	22,228.89	7,271.11	75%
31-730-0150	Accrued Vacation Pay	0	0.00	0.00	0.00	0.00	0.00	
31-730-0900	Payroll Taxes	2,257	0.00	0.00	137.36	1,700.50	556.50	75%
31-730-1000	Retirement Expense	4,233	0.00	0.00	257.65	3,178.79	1,054.21	75%
31-730-1100	Health Insurance	6,900	0.00	0.00	741.14	4,456.97	2,443.03	65%
31-730-2400	Software Maintenance	0	0.00	0.00	0.00	0.00	0.00	

## Budget vs Actual

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31 WATER & SEWER									
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent		
31-730-2500 Gasoline & Fuel Oil- Vehicles	1,600	0.00	0.00	0.00	1,439.35	160.65	90%		
31-730-2550 Gasoline & Fuel Oil- Equipent	750	0.00	0.00	0.00	0.00	750.00			
31-730-2900 Departmental Supplies	4,000	645.66	0.00	0.00	1,758.49	1,595.85	60%		
31-730-2950 Uniforms	750	0.00	0.00	0.00	676.61	73.39	90%		
31-730-2975 Water Purchase Johnston County	7,700	2,617.40	0.00	0.00	5,020.94	61.66	99%		
31-730-3300 Utilities-Wells	6,500	0.00	0.00	610.47	5,506.99	993.01	85%		
31-730-3500 Repairs & Maintenance- Vehicles & Trucks	1,300	0.00	0.00	0.00	715.38	584.62	55%		
31-730-3550 Repairs & Maintenance- Equipment	15,000	2,095.99	0.00	0.00	10,378.31	2,525.70	83%		
31-730-3575 Repairs & Maintenance- Buildings	500	75.00	0.00	0.00	120.00	305.00	39%		
31-730-3580 Repairs & Maintenance- Water Lines	65,000	336.55	0.00	0.00	54,087.60	10,575.85	84%		
31-730-3581 Repairs & Maintenance- Water Tank	9,000	0.00	0.00	0.00	8,174.25	825.75	91%		
31-730-3588 Repairs & Maintenance- Well	10,000	50.50	0.00	0.00	6,574.50	3,375.00	66%		
31-730-3930 Transfer to GF	0	0.00	0.00	0.00	0.00	0.00			
31-730-4600 Water Testing- Environment	4,000	1,564.24	0.00	0.00	2,032.65	403.11	90%		
31-730-4910 Dues & Permits	1,000	0.00	0.00	0.00	982.00	18.00	98%		
31-730-5500 Capital Outlay	0	0.00	0.00	0.00	0.00	0.00			
31-730-6950 FEMA Grant Expenditures	0	0.00	0.00	0.00	0.00	0.00			
31-740-0000 *****SEWER OPERATIONS*****	0	0.00	0.00	0.00	0.00	0.00			
31-740-0100 Salaries	29,500	0.00	0.00	1,665.69	21,926.07	7,573.93	74%		
31-740-0150 Accrued Vacation Pay Adjustment	0	0.00	0.00	0.00	0.00	0.00			
31-740-0900 Payroll Taxes	2,257	0.00	0.00	127.42	1,677.32	579.68	74%		
31-740-1000 Retirement Expense	4,233	0.00	0.00	239.02	3,135.33	1,097.67	74%		
31-740-1100 Health Insurance	6,900	0.00	0.00	741.14	4,456.93	2,443.07	65%		

## Budget vs Actual

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Period Ending 6/30/2026

31 WATER & SEWER									
Description	Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent		
31-740-1875 Engineering Fees	2,000	0.00	0.00	0.00	0.00	0.00	2,000.00		
31-740-2400 Software Maintenance	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-740-2500 Gasoline & Fuel Oil- Vehicles	1,500	252.21	0.00	0.00	0.00	1,027.79	220.00	85%	
31-740-2550 Gasoline & Fuel Oil- Equipment	585	0.00	0.00	0.00	0.00	0.00	585.00		
31-740-2900 Departmental Supplies	1,100	239.76	0.00	0.00	0.00	576.26	283.98	74%	
31-740-2950 Uniforms	750	0.00	0.00	0.00	0.00	467.42	282.58	62%	
31-740-3300 Utilities- Lift Stations	9,000	0.00	0.00	947.00	7,190.03	1,809.97	1,809.97	80%	
31-740-3500 Repairs & Maintenance- Vehicles & Trucks	500	0.00	0.00	0.00	349.42	150.58	150.58	70%	
31-740-3550 Repairs & Maintenance- Equipment	8,000	0.00	0.00	0.00	3,755.25	4,244.75	4,244.75	47%	
31-740-3575 Repairs & Maintenance- Buildings	500	0.00	0.00	0.00	148.00	352.00	352.00	30%	
31-740-3585 Repairs & Maintenance- Sewer Lines	10,000	0.00	0.00	0.00	4,743.00	5,257.00	5,257.00	47%	
31-740-3588 Repairs & Maintenance- Lift Stations	10,000	3,240.00	0.00	0.00	4,285.66	2,474.34	2,474.34	75%	
31-740-3930 Transfer to GF	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-740-4910 Dues & Permits	1,000	0.00	0.00	0.00	0.00	1,000.00	1,000.00		
31-740-4999 Sewer Treatment Fees- Town of Kenly	140,000	0.00	0.00	0.00	93,866.68	46,133.32	46,133.32	67%	
31-740-5500 Capital Outlay	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-740-6900 CSX-Railroad	1,910	0.00	0.00	0.00	0.00	1,910.00	1,910.00		
31-740-7100 Principal on FHA Loan	16,000	0.00	0.00	0.00	0.00	16,000.00	16,000.00		
31-740-7200 FHA Interest Expense USDA Interest	12,950	0.00	0.00	0.00	0.00	12,950.00	12,950.00		
31-740-8100 SCADA	8,000	0.00	0.00	0.00	8,040.00	(40.00)	101%		
31-740-8500 Violations	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-740-8888 Depreciation	0	0.00	0.00	0.00	0.00	0.00	0.00		
31-745-7100 GO Bond Principle	0	0.00	0.00	0.00	0.00	0.00	0.00		

## Budget vs Actual

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Period Ending 6/30/2026

31 WATER & SEWER		Budget	Encumbrance	MTD	QTD	YTD	Variance	Percent
Description								
31-745-7200 Interest Expense		0	0.00	0.00	0.00	0.00	0.00	0.00
31-999-9999 Contingency		2,152	0.00	0.00	0.00	0.00	2,152.00	
<b>Totals:</b>		<b>572,457</b>	<b>13,990.53</b>	<b>0.00</b>	<b>17,884.25</b>	<b>405,934.91</b>	<b>152,531.56</b>	<b>73%</b>
<b>Expenses Totals:</b>		<b>572,457</b>	<b>13,990.53</b>	<b>0.00</b>	<b>17,884.25</b>	<b>405,934.91</b>	<b>152,531.56</b>	<b>73%</b>
<b>31 WATER &amp; SEWER</b>	<b>Revenues Over/(Under) Expenses:</b>			<b>0.00</b>	<b>(9,805.20)</b>	<b>62,149.26</b>		

**Town of Micro, North Carolina**  
**Summary Schedule of Prior Audit Findings (continued)**  
**For the Year Ended June 30, 2025**

Finding:	2021-006
Status:	The finding has been corrected.
Finding:	2020-001
Status:	The finding has been corrected.
Finding:	2020-002
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-001.
Finding:	2020-003
Status:	The finding has been corrected.
Finding:	2020-004
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-002.
Finding:	2020-005
Status:	The finding has been corrected.
Finding:	2019-001
Status:	The finding has been corrected.
Finding:	2019-002
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-001.
Finding:	2019-003
Status:	The finding has not been corrected. Similar comment in current year, see Finding 2025-002.

# Chapter 11

## Open Fires-Prohibition and Control of Recreational Burning

### SECTION

11-01	Open Fire
11-02	Recreation Fires
11-03	Portable Outdoor Fireplaces/Fire Pits
11-04	Constructed Stationary Outdoor Fireplace
11-05	Stationary Outdoor Firepits

### SECTION 11-01. OPEN FIRES

No open fires are permitted in the town for the purpose of burning leaves, trash, yard waste, or other combustible material. Private incinerators/burn barrels of metal used to burn leaves, trash, yard waste or other combustible material are considered open burning as defined by N.C. Fire Prevention Code (Section 302) and their use is not allowed. N.C. Fire Prevention Code (302) does not apply to “recreational fires” or the use of portable outdoor fireplaces. The use of barbecue grills for the preparation of family meals is exempt.

### SECTION 11-02. RECREATION FIRES

Recreational Fire is defined as an outdoor fire burning materials other than rubbish where the fuel being burned is not contained in an incinerator, outdoor fireplace, portable outdoor fireplace, barbeque grill or barbeque pit and has a total fuel area of 3 feet or less in diameter and 2 feet or less in height for pleasure, religious, ceremonial, cooking, warmth or similar purpose. (N.C. Fire Prevention Code (Section 302.1).

### SECTION 11-03. PORTABLE OUTDOOR FIREPLACES/FIREPITS

Portable outdoor fireplaces/fire pits are defined by the North Carolina Fire Prevention Code as a portable, outdoor, solid-fuel-burning fireplace that may be constructed of steel, concrete, clay, or other non-combustible materials. A portable outdoor fireplace may be open in design or may be equipped with a small hearth opening and a short chimney opening in the top. Portable outdoor. Shall not be used to burn rubbish or yard waste.

### SECTION 11-04. CONSTRUCTED STATIONARY OUTDOOR FIREPLACE

A constructed stationary outdoor fireplace is defined as an outdoor fireplace constructed on-site, permanent in nature, solid fuel-burning, and may be constructed of stone, brick, concrete, clay, or other non-combustible material. A stationary outdoor fireplace will normally have a hearth, fire box, and chimney/stack. Shall not be used to burn rubbish or yard waste.

## **SECTION 11-05. STATIONARY OUTDOOR FIREPITS**

A stationary outdoor firepit is defined as fire pits constructed on-site, permanent in nature, solid-fuel-burning and may be constructed of stone, brick, concrete, metal, or other non-combustible material. The stationary outdoor fire pit may be dug in the ground or above the ground and is designed to contain a fire and prevent it from spreading and shall not be used to burn rubbish or yard waste.

It shall be unlawful for any person to build or set a fire, except under the following conditions and upon inspection by The Micro Fire Department Fire Chief or authorized Fire personnel so designated by the Micro Fire Chief.

- 1) Constructed stationary outdoor fireplaces and fire pits shall be 25 feet away from a structure or combustible materials;
- 2) Portable outdoor fireplaces shall be used in accordance with the manufacturer's instructions and shall not be operated within 25 feet of a structure or combustible material;
- 3) The fire does not exceed three feet in diameter or two feet in height;
- 4) The fire shall not be within 25 feet of a structure or combustible materials such as pine straw, overgrown vegetation or similar environments;
- 5) Conditions which could cause a fire to spread within 25 feet of a structure shall be eliminated prior to ignition;
- 6) The fire shall not contain any rubbish, trash, or building materials;
- 7) The fire must be constantly attended by a competent person;
- 8) There is an immediate way to extinguish the fire;
- 9) Fire Extinguisher with a 4A rating or other approved on-site fire-extinguishing equipment, such as dirt, sand, water barrel, garden hose or water truck, shall be available for immediate utilization;
- 10) The fire department may order the fire extinguished if it creates or adds to a hazardous situation or if the fire is determined to cause a nuisance by the responding fire crew.

## Chapter 12

### *Off-Road Vehicles; All-Terrain Vehicles (ATV); Dirt Bikes*

#### **SECTION**

- 12.01** Definition
- 12.02** Permission required to operate on property other than own
- 12.03** Operation of vehicle near business or residential area
- 12.04** Operation of vehicle near property of government agency
- 12.05** Operation on streets or other public property
- 12.06** Vehicles to be equipped with muffler and exhaust system
- 12.07** Additional NC State Laws Related to All-Terrain Vehicles

#### **SECTION 12.01 DEFINITION.**

For the purpose of this subchapter the following definition shall apply unless the context clearly indicates or requires a different meaning.

***OFF-ROAD VEHICLE, ALL-TERRAIN VEHICLE or DIRT BIKE.*** Any vehicle that does not require the operator to be a duly licensed operator and is commonly known as an off-road vehicle, a dirt bike, all-terrain vehicle or a three-wheeler.

#### **SECTION 12.02 PERMISSION REQUIRED TO OPERATE ON PROPERTY OTHER THAN OWN.**

Any person desiring to operate an off-road vehicle, ATV or dirt bike on property other than that owned by the vehicle operator must have written permission of the current property owner prior to operation of off-road vehicles, ATV'S or dirt bikes on that property. The operator must have permission on file with the town or on his person.

#### **SECTION 12.03 OPERATION OF VEHICLE NEAR BUSINESS OR RESIDENTIAL AREA.**

(A) Off-road vehicles, ATV'S or dirt bikes shall not be operated within 300 feet of a business or residential area when operated off the owner of the vehicle's property.

(B) Off-road vehicles, ATV'S or dirt bikes shall not be operated within 300 feet of any school, church, medical facility, rest home, or other facility operated publicly or privately for treatment or housing of the elderly, handicapped, mentally disturbed, or other like facilities, while in active session or when the operation of the vehicle is detrimental to the health or well-being of persons at the above listed areas.

#### **SECTION 12.04 OPERATION OF VEHICLE NEAR PROPERTY OF GOVERNMENT AGENCY.**

No off-road vehicles, ATV'S or dirt bikes shall be operated in a manner or proximity to any government agency so as to disrupt the normal operation of the government agency.

#### **SECTION 12.05 OPERATION ON STREETS OR OTHER PUBLIC PROPERTY.**

No off-road vehicles, ATV'S or dirt bikes shall be operated on any public street, highway, public vehicular area, or any other property under the possession or control of this governmental agency. While ATV's are generally not street legal, you may cross public

roads at a 90 degree angle, however, in this instance an ATV would be considered a motor vehicle, which technically requires a license.

**SECTION 12.06 VEHICLES TO BE EQUIPPED WITH MUFFLER AND EXHAUST SYSTEM.**

All off-road vehicles, ATV'S or dirt bikes operated on private property are to be equipped with a muffler and exhaust system equal to that of factory installation at the time of original purchase of a new vehicle.

**SECTION 12.07 ADDITIONAL NC STATE LAWS RELATED TO ALL-TERRAIN VEHICLES**

- a. In accordance with NCGS 20-171.16 **Passengers on ATVs** - cannot carry any passengers, when such vehicle was specially designed by the manufacturer for operator only operation.
- b. NCGS 20-171.15(a) No one under 8 years of age is allowed to operate an ATV.
- c. NCGS 20-171.15(b) ATV's with an engine size of 70cc to 90cc should be operated by people at least 12 years of age.
- d. NCGS 20-171.15(c) ATV's with an engine size of greater than 90cc should only be operated by people at least 16 years of age.

## Chapter 13

### Golf Carts

Section

13.01 Definitions

13.02 Low speed vehicle

13.03 Golf cart equipment

13.04 Insurance requirements

13.05 Liability

13.06 Registration

13.07 Operation

13.08 Violations

13.99 Penalties

#### **SECTION 13.01 DEFINITIONS.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

***GOLF CART.*** A vehicle designed and manufactured for operation on a golf course for sporting or recreational purposes and that is not capable of exceeding speeds of 20 miles per hour.

***OPERATOR.*** A person age 16 or over and having a valid North Carolina driver's license (or a recognized similar valid license from another state) who is driving the golf cart and has full control of its operation and passengers.

#### **SECTION 13.02 LOW SPEED VEHICLE.**

Low speed vehicles, as defined under G.S. SECTION 20-4.01 and as equipped and regulated under G.S. 20-121.1 shall be operated under the applicable state statutes and shall not be subject to this chapter.

#### **SECTION 13.03 GOLF CART EQUIPMENT.**

Golf carts approved for operation under this chapter must conform to industry standards for manufactured golf carts. Additionally, the golf cart must be equipped with the following:

- (A) Identification or serial number;
- (B) An unobstructed rear-view mirror and left side mirror, or a wide-angle cross bar rearview mirror;
- (C) Operating headlight(s) on the front of the golf cart and operating taillight(s) on the back of the golf cart, horn and turn signals.
- (D) Seat lap belts for every occupant position, bolted to the frame of the cart.
- (E) Golf carts may have "lift kits" but no golf cart may be more than 22 inches high measured from the ground to the floorboard of the cart.
- (F) Golf carts must be equipped with rubber or equivalent tires;

- (G) Operational steering gear, brakes, emergency or parking brake, sufficient to enable the operator to control the vehicles movements; and
- (H) A DOT approved (AS4 or AS5) windshield.

**SECTION 13.04 INSURANCE REQUIREMENTS.**

Every golf cart operated under this chapter shall have in full force and effect, valid liability insurance sufficient to cover the risk involved in using a golf cart on the public streets and roadways. Valid liability coverage is that which is defined in G.S. 20-279.21(b) as the minimum required.

**SECTION 13.05 LIABILITY.**

(A) Golf carts are not designed or manufactured to be used on public streets, and the town in no way advocates or endorses their operation on public streets and roadways. The town, by regulating such operation, is trying to address safety issues, and adoption of this section is not to be relied upon as a determination that operating on public streets and roadways is safe or advisable if done in accordance with this section.

(B) All persons who operate or ride upon golf carts on public streets do so at their own risk and peril and must be observant of and attentive to the safety of themselves and others, including their passengers, other motorists, bicyclists and pedestrians.

(C) The town has no liability under any theory of liability, and the town assumes no liability for permitting golf carts to be operated on public streets and roadways.

**SECTION 13.06 REGISTRATION.**

(A) Operators of golf carts operated under this chapter must have a valid registration decal issued by the town prior to operating on the roads. This registration decal must be obtained by the owner through submitting a golf cart registration application, a valid North Carolina driver's license, proof of ownership and liability insurance. Additionally, the applicant must sign an attestation document that declares the golf care complies with an will continue to comply with all ordinance requirements for the duration of the registration.

(B) The cost for the registration shall be \$100 and will be payable to the town at the time of registration. The registration shall be valid for no more than three years and is to be renewed at least one month prior to expiration. At this time the owner shall submit the above documents.

(1) The registration decal must be displayed on the lower left corner of the windshield (driver's side) or, in the absence of the windshield, the left front fender so as to be easily visible by law enforcement personnel.

(2) Lost or stolen registration decals are the responsibility of the owner and must be replaced before the golf cart is operated on a public road. The cost of a replacement shall be \$25.00.

**SECTION 13.07 OPERATION.**

The following restrictions limiting the operation of golf carts in the town shall apply:

(A) Golf cart transportation is limited to town owned streets and highways within the town limits which have a posted speed limit of 25 miles per hour or less:

(B) Any person who operates a golf cart on public streets and roads must adhere to all applicable state and local laws, regulations and ordinances, which govern the operation of motor vehicles, including but not limited to those banning the possession and use of alcoholic beverages, and all other illegal drugs. In addition, no golf cart containing any open container of alcohol shall be operated on public roads.

(C) Golf carts may not be left unattended on any public street.

(D) Golf carts are prohibited from traveling upon or parking on any sidewalk or multipurpose path within the town.

(E) Golf carts are required to follow the rules and regulations of any other vehicle during special events and are not permitted to enter special event areas unless the golf cart is a part of the event and approved by the Town Council.

(F) No person shall operate a golf cart on a public street or highway in the town unless said person is at least 16 years of age and has a valid North Carolina driver's license or a valid similar recognized, out-of-state license in accordance with G.S. 20-7. Golf cart operators must always carry their driver's license on their person while operating a golf cart on public roads. Parents of minor children found operating a golf cart upon a public street or highway are subject to G.S. 20-32, which makes it unlawful to permit an unlicensed minor to drive a motor vehicle.

(G) Operators of golf carts are required to ensure that all occupants are secured within the golf cart by seat belts and that occupants under the age of 16 are secured by the appropriate passenger restraint system for their age and size.

(H) Only the number of people the golf cart is designed to seat may ride on a golf cart. Additionally, passengers shall not be carried on the part of a golf cart designed to carry golf bags.

(I) Each golf cart owner must have proof of ownership, liability insurance and a completed waiver of liability releasing the town from liability that may arise as a result of operation of a golf cart inside the town. These documents must be available for inspection at all times while in operation on public roads.

**SECTION 13.08 VIOLATIONS.**

Any operator of a golf cart in violation of either this section or the motor vehicle laws of the State of North Carolina may be subject to civil and/or criminal penalties in accordance with G.S. 14-4 and 160A-175.

**SECTION 13.99 PENALTIES.**

Violations of this may be enforced by a civil fine or criminal charge. The fine for violations of this section is \$50 for each offense. For any criminal charges filed in accordance with this section, penalties shall be at the discretion of the courts of North Carolina in accordance with G.S. 14-4(a). In cases where a civil citation is issued, the driver or registered owner must provide their name, date of birth, and address to the issuing law enforcement officer. Additionally, violation of either this section or the motor vehicle laws of the state through a

particular registered golf cart may be grounds for the inability to renew the registration which shall be at the discretion of law enforcement.



THE MICRO CLASS OF 1959 AND  
THE N.C. DEPARTMENT OF TRANSPORTATION  
CORDIALLY INVITE YOU TO ATTEND A CEREMONY  
DEDICATING THE

# DR. JAMES W. BATTEN BRIDGE

Saturday, April 18, 2026 | 3 p.m.

## LOCATION:

Micro Elementary School  
301 East Main Street  
Micro, N.C.

## DETAILS:

The ceremony will be held in the gymnasium.  
Parking is available onsite.

For further information, please contact Brianna Couture  
[bccouture@ncdot.gov](mailto:bccouture@ncdot.gov) | 984-302-2024

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