

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



*CITY OF ARCHDALE*  
NORTH CAROLINA

**FISCAL YEAR ENDING  
JUNE 30, 2024**



**CITY OF ARCHDALE, NORTH CAROLINA**

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# INTRODUCTORY SECTION

- Transmittal Letter
- Certificate of Achievement
- Principal Officials
- Organizational Chart







## CITY OF ARCHDALE

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P.O. BOX 14068  
ARCHDALE, NORTH CAROLINA 27263

PHONE: (336) 431-9141      FAX: (336) 431-2130

October 31, 2024

To the Honorable Mayor Lewis Dorsett,  
Members of the City Council, and  
Citizens of the City of Archdale

It is our pleasure to present the Annual Comprehensive Financial Report (ACFR) of the City of Archdale, North Carolina for the fiscal year ended June 30, 2024. The management of the City of Archdale is responsible for the integrity and objectivity of the financial statements and other representations contained in this annual report. The City's ACFR, prepared in accordance with generally accepted accounting principles for units of local government, consists of management's representation concerning the financial position and results of operations for the fiscal year ended June 30, 2024. The report consists of four major sections: the introductory section, the financial section, the statistical section, and the single audit compliance section.

The general statutes of North Carolina require that every local government publish, within four months after the close of the fiscal year, a complete set of financial statements prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. The City engaged Martin Starnes & Associates, CPAs P.A., an independent firm of licensed certified public accountants, to perform an audit of the City's reported financial position and results of operations contained in the government-wide and fund financial statements and notes to the financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Archdale for the fiscal year ended June 30, 2024 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation the overall financial presentation. Based on the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Archdale's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Archdale was part of a broader single audit designed to meet the needs of federal and state grantor agencies. Information related to this single audit, including the schedule of expenditures of federal and state awards, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, are included in the single audit section at the end of this report.

Management assumes full responsibility for the completeness and reliability of the information included in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Separation of duties, timely bank reconciliation, and presentation of monthly financial summaries to City Council are a few of the controls utilized in the City's control environment.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A highlights the activities of the fiscal year. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## DESCRIPTION OF THE CITY

The City of Archdale incorporated in 1969. The City is located primarily in Randolph County, with portions extending into Guilford County. These counties are part of the Piedmont Triad region of North Carolina, with the Blue Ridge Mountains about 100 miles to the west and the Atlantic Ocean within 200 miles to the east. Randolph County is home to the North Carolina Zoological Park, the Uwharrie National Forest, and internationally known Seagrove area potteries. Archdale covers 8.86 square miles and has a population of ~12,050.

The area's economic base continues to transition from traditional manufacturing, tobacco farming, and textiles to technology, logistics, and advanced manufacturing. Archdale is home to several large organizations, such as Tempur+Sealy International, Inc. and Thomas Built Buses, one of the world's largest suppliers of school buses. Other international businesses, including Häfele America Co., Future Foam, Inc., Hubbell Industrial Controls, Inc., and Sumitomo Forestry America, Inc. are located within the City's industrial parks. Archdale is also home to several businesses in the evolving furniture industry such as Ambella Home Collection, Brookline Furniture, Stickley Fine Furniture, and Lancaster Custom Crafted Upholstery.

One of the most appreciated aspects of the City is Creekside Park, a 105+/- acre regional park serving the northwestern portion of Randolph County. The park is host to a recreation center, ball fields, t-ball fields, playgrounds, tennis courts, greenway trails, picnic shelters, sand volleyball courts, outdoor basketball court, Barkdale dog park, and a disc golf course. The Archdale Public Library, the Archdale Senior Center, Guil-Rand Fire Department, and Randolph Community College (Archdale Center) are also located in or adjacent to Creekside Park.

There are several institutions of higher education within easy access of Archdale. The University of North Carolina at Greensboro, North Carolina A&T University, Greensboro College, and Guilford College are all located in Greensboro. Also, nearby are High Point University (5 miles), two campuses of Guilford Technical Community College (Jamestown and High Point), and the previously mentioned Randolph Community College facility located at Creekside Park. In total, the Piedmont Triad Region is home to 13 major colleges and universities.

## PROFILE OF THE GOVERNMENT

The City operates under a Council-Manager form of government. The City Council is the policy-making and legislative body of City government and includes the Mayor and six Council members. One Council member is elected from each of the City's four wards and two Council members are elected at-large. Members serve staggered four-year terms while the Mayor is elected to serve a two-year term. The Mayor Pro-Tem is selected by the Council to serve a term concurrent with the Mayor. The Mayor is the presiding officer and votes only when a Council vote results in a tie.

The City Manager is appointed by the Council as the Chief Executive Officer and is responsible for carrying out the policies and ordinances of the Council. The Manager appoints department directors to assist with the administration of the daily operations and programs of the City.

The City of Archdale provides many services for its citizens including police protection, garbage and recyclable materials collection, recreational activities, street maintenance, yard waste collection, planning and zoning, economic development, public improvements, and general administrative services. The City operates two enterprise funds, one for water distribution/wastewater collection and another for stormwater services.

In addition to visiting City Hall or attending monthly City Council meetings, citizens in Archdale have many ways to communicate and interact with their local government. The City uses social media and its website ([www.archdale-nc.gov](http://www.archdale-nc.gov)) for marketing events and programs throughout the community. These tools also provide citizens with valuable information about meeting agendas/minutes, City ordinances, utility accounts, and contact information for staff. On the website citizens can choose to be included in notifications generated by City staff about events and local emergencies. Additionally, citizen concerns can be submitted via the SeeClickFix app for staff to review. Finally, a quarterly newsletter, "In The Loop", is included with utility billing statements and offers a snapshot of events taking place around the City.

## ECONOMIC CONDITION AND OUTLOOK

As mentioned previously, the City of Archdale is located within Piedmont Triad, along the Carolina Core, at the intersection of I-85 and I-74. The intersection of two interstate highways provides prime locations for national retail, logistics, warehousing, and distribution facilities as well as increasing the traffic for area hotels and restaurants. The City is adjacent to High Point and in close proximity to Greensboro and Winston-Salem. More than one million people reside within a 30-mile radius of Archdale. The N.C. Department of Transportation is constructing a 34.5-mile multi-lane freeway that loops around the northern part of Winston-Salem and connects with I-74, which will alleviate traffic congestion and improve safety within the transportation corridor. U.S. Highway 421 has been upgraded to I-685 and will eventually run from I-85 to I-95, improving connectivity and commerce across the region. Two new interchanges near the Toyota plant site will give employees an easy way to get to work and will also improve access for the semi-conductor company Wolfspeed.

The Randolph County Economic Development Corporation (EDC), a non-profit organization, uses public and private funds to promote Randolph County's economic future. The EDC works with new and existing industries for the creation of new jobs, an expanded tax base, and a stronger local economy. The EDC has facilitated several expansion projects that resulted in improvements to the local economy. The EDC's largest marketed property was the Greensboro-Randolph Mega Site which spans ~1,900 acres in the northeastern quadrant of the County. In December 2021, it was announced that Toyota Motor North America had selected the Mega Site for production of lithium-ion batteries. In October 2023, Toyota Battery Manufacturing North Carolina (TBMNC) announced a new investment of nearly \$8 billion that will add approximately 3,000 jobs. Eight additional BEV/PHEV battery production lines will be added to the two lines previously announced, with line launches planned through 2030. This brings total investment to nearly \$13.9 billion and job creation to at least 5,000 jobs. The Toyota battery plant is scheduled to open in 2025.

In addition to Toyota, major economic development/job creation announcements have been made in the Carolina Core that will contribute to a new economic future for the Piedmont Triad. Boom Supersonic held a ribbon-cutting ceremony on June 17, 2024 for its Overture Superfactory located at the Piedmont Triad International Airport in Greensboro. Boom is developing Overture, the world's fastest airliner, optimized for speed, safety, and sustainability using 100% sustainable aviation fuel (SAF). North Carolina economists estimate that the full Boom manufacturing program will grow the state's economy by at least \$32.3 billion over 20 years, with the Superfactory adding more than 2,400 jobs. Wolfspeed's investment in neighboring Chatham County will require thousands of employees in the coming years. It is expected that the entire region will be impacted by these announcements. In Archdale specifically, residential growth from the needed workforce and industrial expansion from supply chain industries are anticipated.

Significant jobs and investment have also been made directly in Archdale. The EDC facilitated economic incentive agreements from the state, Randolph County, and the City of Archdale to bring Axium Packaging of New Albany, Ohio to a 35-acre site within Archdale. The same entities had previously partnered with a private developer to complete environmental and engineering site preparation on this property to increase its marketability. Axium produces packaging for personal care products, household chemicals, over-the-counter pharmaceuticals, and food markets. The investment is \$36 million with an anticipated 118 workers to be hired for the Archdale location.

An economic development incentive package was approved during fiscal year 2023 for Japanese wood-products maker Sumitomo Forestry to locate a \$19.5 million plant in Archdale. Structural LLC opened its newly built, 120,000-square-foot plant in June 2024. The initial phase of operations involved hiring of 20 to 25 employees, with expected job creation of 129 jobs by 2027. The site was chosen for proximity to booming residential and small commercial construction.

Archdale upholstery maker Lancaster Inc. is relocating and expanding within Archdale due to multiple years of double-digit sales growth. The City of Archdale and Randolph County offered incentives to support the >\$5 million investment in the new facility, retain its current 25 full-time employees, and create at least 27 new jobs.

Home furnishings company Theodore Alexander purchased the industrial warehouse in Archdale previously used by Untied Furniture Industries to consolidate its local operations. The Archdale location will be home to its warehouse, upholstery factory and corporate offices by the end of 2024.

Rezoning has been approved for sites in Archdale's ETJ to allow for industrial development. Future Foam requested the rezoning of 170 acres to M-2 (Light Industrial) for future development. Quikrete Companies requested the rezoning of 61 acres to CD M-1 (Conditional District – Heavy Industrial).

The City of Archdale owns 2.5 million-gallons-per-day (MGD) wastewater treatment capacity in the High Point Eastside Wastewater Treatment plant, ~1.1 MGD of which has been allocated to the City's current wastewater customers. The City is a member of the Piedmont Triad Regional Water Authority (PTRWA) and will ultimately have 2.45 MGD capacity in the John Kime Water Treatment Plant on Randleman Lake. Archdale currently has 1.559 MGD under the joint governmental agreement, of which customers use about .9 MGD. The City also maintains water connections with the City of High Point and Davidson Water, Inc. for emergency purposes. Both entities sold water to Archdale prior to the completion of the PTRWA water plant.

Developers for new and expanded residential subdivisions and commercial/industrial ventures are meeting regularly with Archdale planning staff. Archdale remains an attractive location for developers because of its low taxes, prime location, and available water and sewer utilities.

## INITIATIVES

The City of Archdale remains in an enviable position. Much of this good fortune is tied to geography and regional economic development achievements. However, the leadership of a stable body of elected officials and efforts of a professional staff have contributed to the bright future of Archdale. Our community is poised to grow substantially in the coming years. It is our mission to ensure that Archdale's quality of life remains high, and that the growth is sustainably managed.

NCDOT has acknowledged the expected growth in the community with the planned upgrades of several major thoroughfares and highway interchanges. In the coming years, Archdale Road, Main Street, NC-62, and Surret Drive will be modernized for better traffic flow and improved safety. The I-85 interchanges at NC-62 (2026) and Main Street (2028) are the first projects scheduled for completion. These changes represent investment in our community by the State of North Carolina to address anticipated growth in the region.

On a more local level, Archdale has strategically planned for future growth. The Plan Archdale Comprehensive Plan was adopted in December 2020 with considerable input from the community regarding the Archdale of tomorrow. The 2025 budget includes appropriations to update the Plan Archdale Comprehensive Plan. Primary goals coming from Plan Archdale include modernization of N. Main Street, establishment of a downtown gathering place, and preparations for a possible Commerce Park near I-85 and NC-62. Efforts are ongoing to establish foundations for success on these goals. A new zoning ordinance was adopted, land acquisitions have been made, and grant applications have been submitted.

Creekside Park's stature in the region continues to grow. The effort to revitalize and expand facilities in the Park has been intentionally evident. While serving an existing regional population, these improvements also serve as an indirect economic development tool. Companies considering relocating or expanding will often choose communities where there are amenities to benefit their growing workforce. Therefore, City Council has focused significant attention on maximizing opportunities to improve the Park, Senior Center, and Library.

Maintaining the City's water distribution and sewer collection systems remains a priority. An Asset Inventory and Assessment (AIA) of the wastewater system was recently completed with assistance from a North Carolina Department of Environmental Quality (DEQ) grant. This project created a strategic capital improvement plan, evaluated locations of inflow and infiltration (I/I), and produced updated GIS mapping of the City's primary sewer lines. A DEQ grant in the amount of \$242,000 was awarded to the City to complete an AIA on the water distribution system. In addition to mapping and development of capital improvement plans, these funds will pay for a rate study to ensure the sustainability of the utility's rate structure.

In the coming years, the City will tackle many projects that address the needs of our growing community. It is an exciting time for the City of Archdale, and we are grateful for the support of our citizens and the City Council.

The City was awarded \$500,000 in PARTF funding for phase 1 of Aldridge Park redevelopment. Land for this new City Park was donated from the YMCA and the City purchased adjacent property in fiscal year 2023. Terms of the PARTF grant agreement allow for reimbursement of some of this land purchase as well as the related amenities. Additionally, a \$180,000 Rural Transformation Grant, awarded from the State's ARPA funding, must be used for parking facilities and pedestrian improvements for this phase of the Aldridge Park redevelopment. The remainder of funding for the \$2,382,375 budgeted expenditures for this phase will be transferred from the City's general fund. Phase 1 amenities include pickleball courts, a playground, restroom, picnic shelter, greenway, and sidewalk. The PARTF deadline for completing this project is November 30, 2026.

City staff will work with the Parks and Recreation Department to assess the need for growth at Creekside Park. A space needs study will need to be completed to begin the process of a recreation center expansion. The programs organized by park staff continue draw increased participants. Events at Creekside Park are enjoyed by residents within the City as well as visitors from surrounding areas.

The City was awarded a \$49,999 Rural Transformation Grant from the State's ARPA funding, for streetscape improvement in a select area of the City where various retail establishments and events are located. The project could include City-owned lighting, new crosswalks, benches, and sidewalk improvements. Funds must be encumbered by December 31, 2024, per the grant requirements.

The City of Archdale is also actively participating in the expansion of the Piedmont Triad Regional Water Authority (PTRWA), a critical project aimed at increasing our total water capacity to 2.45 million gallons per day (MGD). The expansion, with a total estimated capital cost of \$130,000,000, will not only enhance our water supply but also introduce a state-of-the-art reverse osmosis filtration system. This system is designed to remove emerging contaminants, such as PFAS and 1,4-Dioxane, ensuring that Archdale continues to provide safe and clean drinking water to its residents for years to come.

The City of High Point has several projects planned in the coming fiscal years to maintain the Eastside Wastewater Treatment Plant. One notable project is the UV system upgrade and primary drain pump station. The estimated completion date for this project is in February of 2026, with Archdale's estimated cost of the project to be \$1,389,000.

Archdale is the recipient of \$3,600,000 ARPA funding in a direct allocation of the state budget. The City is working on a Design Build project for the replacement and improvement of a main sewer line on piers going to the Eastside Wastewater Treatment Plant and a sewer line going into the Weant Road pump station. The City will report to the North Carolina Department of Environmental Quality throughout the duration of these projects.

The 2024 state budget included appropriation of \$7,000,000 from state funds for water and sewer infrastructure. City officials and staff are actively engaged in planning for the best use of these funds.

## FINANCIAL INFORMATION

*Budgetary Information:* The City's budgets are adopted by July 1 of each year as required by The Local Government Budget and Fiscal Control Act of the North Carolina General Statutes. The City levies a property tax on both real and personal properties located within its boundaries. The City's budget ordinance provides a legal limit for spending authorizations and serves as the guide for financial planning and control. Expenditures may not legally exceed appropriations at the department level for the general fund and at the fund level for enterprise funds. Grant project ordinances are adopted for special revenue funds received by the City from the Parks and Recreation Trust Fund (PARTF) and North Carolina State Capital and Infrastructure (SCIF) budget appropriations. The City Council can approve budget amendments affecting the total appropriations on the department and project levels. Encumbrance accounting is used to ensure the City does not exceed the spending limits established in the budget, as required by North Carolina General Statutes.

*Long-Term Financial Planning:* The five-year capital improvement plan includes improvements with a useful life span of one year or more and a purchase price of \$5,000 or greater. The plan is updated annually for each fund as a starting point for work on the annual budget ordinance. The current year portion of this plan is appropriated within the annual operating budget. This plan is also used to schedule equipment and vehicle replacements, as well as requests

for professional services. The current plan includes capital purchases and projects ranging from equipment purchases to a recreation center expansion and new greenway trails/sidewalks. General Fund balance assigned for capital expenditures, including encumbrances rolling forward from the prior fiscal year, totals \$4,390,454 in fiscal year 2025. The Water and Sewer Fund Capital Improvement Plan includes system expansion projects for future development, utility maintenance projects, and Archdale's share of the cost for proposed capital improvements at the Eastside Wastewater Treatment Plant as approved by the City of High Point. Net investment in capital assets for enterprise funds, including encumbrances rolling forward for the prior fiscal year, totals \$875,257. A budget amendment for the replacement of a main sewer line on piers going to the Eastside Wastewater Treatment Plant and a sewer line going to the Weant Road pump station is expected to be approved by City Council in the fiscal year 2025 budget. Design and engineering contract negotiations are underway for these sewer line replacements.

Long-term financial planning and prudent governance have resulted in a positive financial position for the City of Archdale. This allows for great flexibility when opportunities to invest in the future become available.

#### AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Archdale, North Carolina for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City employees deserve special commendation as dedicated and talented public service professionals, and we thank them for their service to the citizens of Archdale. We also express our appreciation to the Mayor, City Council, and members of our boards and advisory committees for their dedication, public service, and commitment to stewardship.

In May 2024, after nearly 18 years of service to the City of Archdale, Zeb Holden transitioned to the position of Randolph County Manager. His successor, Matthew Christian, assumed the role of Archdale City Manager in July 2024. With over 10 years of experience in local government, including more than 8 years as a City Manager, Mr. Christian brings a wealth of experience managing full-service municipalities. He holds both a B.S. and an MPA from Appalachian State University and is a Credentialed Manager through the International City/County Management Association (ICMA-CM). His expertise includes management of full-service municipalities, as well as extensive planning experience, ensuring a thoughtful approach to the City's future development.

The Finance Department also saw a leadership change in December 2023, with Mark Barnhardt stepping into the role of Finance Director. Mr. Barnhardt joined the City of Archdale in 2018 as an Accounting Technician and progressed to Deputy Finance Officer in 2021. He holds both a B.A. in Accounting and a Master of Accountancy from the University of North Carolina at Charlotte, and he is a North Carolina Certified Finance Officer. His expertise in asset management and capital budgeting is instrumental in maintaining Archdale's financial stability and ensuring all statutory requirements are met.

Susan Swaim, a key member of the leadership team, has been with the City since 2010, serving as City Clerk and previously as the Interim City Manager. She holds a B.S. in Housing Management/Interior Design from East Carolina University. Her extensive background in human resources with the City of High Point for more than 20 years and her institutional knowledge of Archdale have been invaluable to the organization. In recognition of her leadership and expertise, Ms. Swaim was promoted to Assistant City Manager in July 2024, where she continues to serve the City with dedication and excellence.

## CONCLUSION

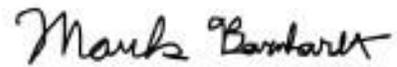
As the City of Archdale continues to grow and evolve, we remain committed to maintaining the high standards of service and quality of life our residents expect and deserve. Our focus on strategic investments in infrastructure, public safety, and community amenities ensures that Archdale is well-positioned to meet the challenges of the future. The support of our dedicated City Council, professional staff, and engaged citizens has been critical to our success, and together, we will continue building a community that thrives.

We look forward to the opportunities that lie ahead and are confident that, through careful planning and sound financial stewardship, Archdale will continue to be a place where people want to live, work, and invest. On behalf of the City of Archdale, we are proud to present this Annual Comprehensive Financial Report, a testament to our commitment to transparency, accountability, and excellence in governance.

Respectfully Submitted,



Matthew Christian  
City Manager



Mark Barnhardt  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Archdale  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO

# PRINCIPAL OFFICIALS



Mayor  
Lewis Dorsett



Larry  
Warlick  
Ward I



Roger  
Blackwell  
Ward II



Robert (Trey)  
Gray III  
Ward III



John  
Glass  
Ward IV  
Mayor Pro Tem

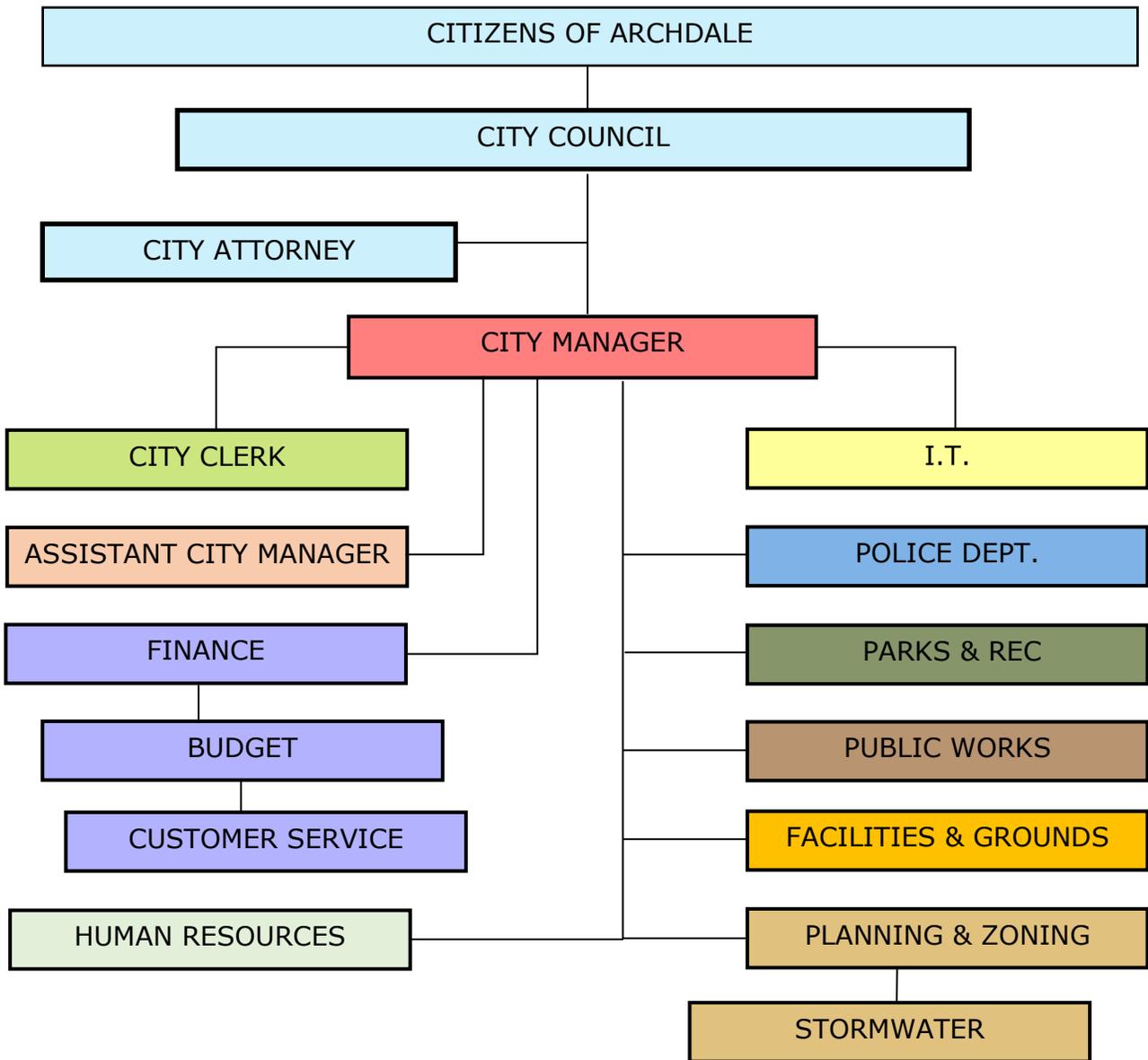


Tim  
Williams  
At Large



Kelly  
Grooms  
At Large

Zeb Holden ..... City Manager  
 Beth Koonce ..... City Attorney  
 Susan Swaim ..... City Clerk  
 Mark Barnhardt ..... Finance Director  
 David Jones ..... Chief of Police  
 Lloyd Wilson ..... Public Works Director  
 Jason Miller ..... Planning Director  
 Brian Clodfelter ..... Parks & Recreation Director  
 Donald Eddins ..... Facilities & Grounds Director  
 John Harrison ..... IT Director  
 Rob Welborn ..... Human Resources Director



**City of Archdale  
ORGANIZATIONAL CHART**

The background of the slide is a photograph of the City of Archdale building. The building is constructed of red brick and features a curved facade. Large, light-colored, three-dimensional letters spell out "CITY OF ARCHDALE" across the upper part of the facade. Below the letters, there are several white columns supporting a portico over a set of glass doors. The lighting is bright, suggesting daytime.

## FINANCIAL SECTION

- ▣ Independent Auditor's Report
- ▣ Management's Discussion and Analysis
- ▣ Government-wide Financial Statements
- ▣ Fund Financial Statements
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- ▣ Required Supplementary Data
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- ▣ Other Schedules



# MARTIN STARNES

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## & ASSOCIATES, CPAs, P.A.

*“A Professional Association of Certified Public Accountants and Management Consultants”*

### **Independent Auditor’s Report**

To the Honorable Mayor and  
Members of the City Council  
City of Archdale, North Carolina

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Archdale, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Archdale, North Carolina, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 City of Archdale, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of 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 City of Archdale's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- exercise professional judgement 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 City of Archdale'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 City of Archdale's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Net Pension Liability and Related Ratios, the Law Enforcement Officers' Special Separation Allowance (LEOSSA) Pension Benefit Trust Schedule of Employer Contributions, the Law Enforcement Officers' Special Separation Allowance (LEOSSA) Pension Benefit Trust Schedule of Investment Returns, the Other Post-Employment Benefits' Schedule of Changes in Total OPEB Liability and Related Ratios, and the Local Governmental Employees' Retirement System Schedules of the Proportionate Share

if the Net Pension Asset (Liability) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Archdale's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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, the individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 31, 2024

# CITY OF ARCHDALE

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2024

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

#### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Archdale exceeded its liabilities and deferred inflows at the close of the fiscal year by \$74,726,179. (net position)
- The government's total net position increased by \$7,169,550 with increases in both governmental activities and business-type activities net position.
- Governmental activities include the Parks and Recreation Trust Fund (PARTF) capital projects fund and the State Capital and Infrastructure Fund (SCIF). These funds account for restricted cash received from federal and state grants. This is the first year for the PARTF projects, while the SCIF projects fund is nearing completion.
- Net position in the business-type activities increased by \$2,139,212, of which \$2,117,607 is attributable to the Water and Sewer Fund. Interest income provided a boost to revenues. Pump station maintenance, supplies, and sewer treatment expenses were the main areas where actual spending was less than budgeted.
- As of the close of the current fiscal year, the City of Archdale's governmental funds reported combined ending fund balances of \$20,952,571, an increase of 2,595,177 in comparison with the prior year. Eighty-three percent of this total amount, or \$17,442,099 is available for spending at the government's discretion. As further discussed in this MD&A, the increase is primarily due to increased revenues and spending less than budgeted.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$5,626,754 or fifty-two percent of total general fund expenditures for the fiscal year.
- The fund balance for the General Fund includes \$695,484 assigned by the City Council to be used for possible future economic development incentives and \$6,121,900 assigned for capital expenditures.

#### **Overview of the Financial Statements**

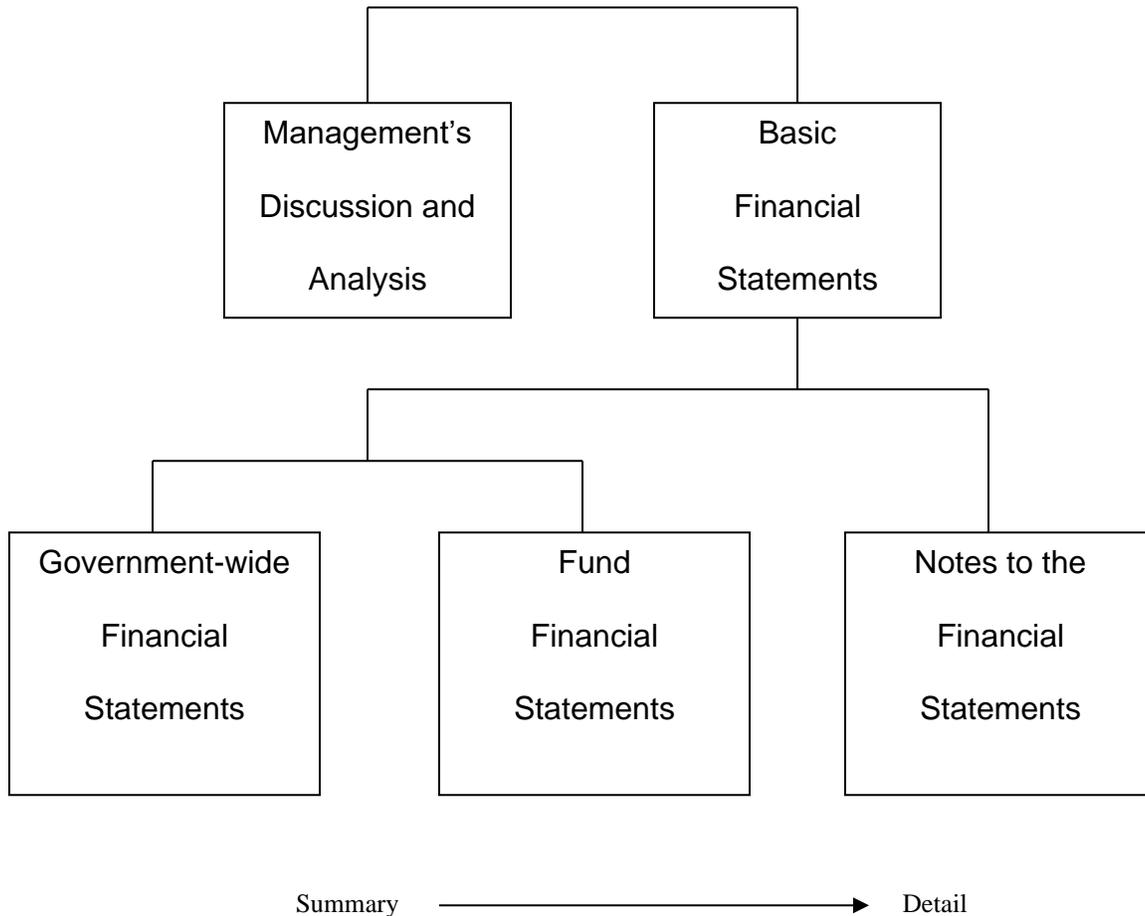
This discussion and analysis are intended to serve as an introduction to City of Archdale's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see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

**CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2024**

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**Required Components of Annual Financial Report**

**Figure 1**



**Basic Financial Statements**

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

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements for major governmental funds; 3) the proprietary fund statements; and 4) the fiduciary statements.

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

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

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**Government-Wide Financial Statements**

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

The two government-wide statements report on the City's net position and how it has changed. Net position is the difference between the City'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 City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include the City's basic services such as public safety, parks and recreation, solid waste collection and disposal, street maintenance, and general administration. Property taxes, sales taxes, federal grants, state grants, and user fees finance most of these activities. The business-type activities are those that the City charges customers to provide. These include water and sewer services offered by the City of Archdale as well as the stormwater enterprise.

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

**Fund Financial Statements**

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

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City'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 City of Archdale 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 City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether the City 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** – City of Archdale has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Archdale uses an enterprise fund to account for its water and sewer activity as well as its stormwater operation. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. A reconciliation statement is provided following these funds to explain the differences between them.

**CITY OF ARCHDALE**  
**Management’s Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2024**

**Fiduciary Fund** – The City established an irrevocable trust in May 2019. The City is the trustee, or fiduciary, for its Archdale LEOSSA Pension Trust, with all assets held and administered in a trust account invested with the State Treasurer. The City is responsible for ensuring that the assets reported in this fund are used only for their intended purpose. These activities are excluded from the government-wide financial statements because the City cannot use these assets to finance its operations.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin immediately following the Fiduciary Fund statements.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Archdale’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information immediately follows the Notes to the Financial Statements.

**Interdependence with Other Entities:** The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Government-Wide Financial Analysis**

**The City of Archdale’s Net Position**

**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 22,183,405	\$ 19,653,751	\$ 13,796,124	\$ 11,905,360	\$ 35,979,529	\$ 31,559,111
Capital and other non-current assets	22,125,125	19,537,929	24,726,753	24,954,755	46,851,878	44,492,684
Total assets	44,308,530	39,191,680	38,522,877	36,860,115	82,831,407	76,051,795
Deferred outflows of resources	1,935,331	2,030,863	336,332	339,047	2,271,663	2,369,910
Long-term liabilities outstanding	3,624,512	3,596,118	3,726,865	4,157,072	7,351,377	7,753,190
Other liabilities	1,472,384	1,552,526	1,098,420	1,071,282	2,570,804	2,623,808
Total liabilities	5,096,896	5,148,644	4,825,285	5,228,354	9,922,181	10,376,998
Deferred inflows of resources	360,187	317,459	94,523	133,138	454,710	450,597
Net position:						
Net investment in capital assets	21,777,426	19,051,808	21,113,005	20,851,980	42,890,431	39,903,788
Restricted	3,494,735	2,790,486	154,437	123,652	3,649,172	2,914,138
Unrestricted	15,514,617	13,914,146	12,671,959	10,824,557	28,186,576	24,738,703
Total net position	\$ 40,786,778	\$ 35,756,440	\$ 33,939,401	\$ 31,800,189	\$ 74,726,179	\$ 67,556,629

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of the City of Archdale exceeded liabilities and deferred inflows by \$74,726,179 as of June 30, 2024. The City’s net position increased by \$7,169,550 for the fiscal year ended June 30, 2024. However, the largest portion (57%) reflects the City’s investment in capital assets (e.g., land, buildings, equipment, and machinery); less any related debt still outstanding that was issued to acquire those items. The City of Archdale uses these capital assets to provide services to citizens; consequently, these capital assets are not available for future spending. Although the City of Archdale’s investment in its capital assets is reported net of any outstanding related debt, the resources needed to repay these obligations must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Archdale’s net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$28,186,576 is unrestricted.

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

**The City of Archdale's Changes in Net Position**

**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,507,621	\$ 1,335,252	\$ 5,330,902	\$ 5,132,991	\$ 6,838,523	\$ 6,468,243
Operating grants and contributions	701,350	914,102	-	-	701,350	914,102
Capital grants and contributions	1,955,237	645,035	933,175	7,020	2,888,412	652,055
General revenues:						
Taxes	4,737,877	3,554,061	-	-	4,737,877	3,554,061
Grants and contributions not restricted to specific programs	5,253,085	8,524,755	-	-	5,253,085	8,524,755
Unrestricted investment earnings	922,843	562,541	615,903	362,686	1,538,746	925,227
Other	43,765	49,722	-	-	43,765	49,722
Total revenues	<u>15,121,778</u>	<u>15,585,468</u>	<u>6,879,980</u>	<u>5,502,697</u>	<u>22,001,758</u>	<u>21,088,165</u>
<b>Expenses:</b>						
General government	2,442,302	2,236,836	-	-	2,442,302	2,236,836
Public safety	3,772,428	3,507,895	-	-	3,772,428	3,507,895
Transportation	1,087,187	941,089	-	-	1,087,187	941,089
Environmental protection	1,068,375	1,010,187	-	-	1,068,375	1,010,187
Cultural and recreation	1,623,637	1,751,505	-	-	1,623,637	1,751,505
Community promotions	91,545	242,485	-	-	91,545	242,485
Interest on long-term debt	5,966	4,098	-	-	5,966	4,098
Water and sewer	-	-	4,191,256	3,826,734	4,191,256	3,826,734
Stormwater	-	-	549,512	489,716	549,512	489,716
Total expenses	<u>10,091,440</u>	<u>9,694,095</u>	<u>4,740,768</u>	<u>4,316,450</u>	<u>14,832,208</u>	<u>14,010,545</u>
Increase in net position before transfers	5,030,338	5,891,373	2,139,212	1,186,247	7,169,550	7,077,620
Transfers	-	-	-	-	-	-
Increase in net position	<u>5,030,338</u>	<u>5,891,373</u>	<u>2,139,212</u>	<u>1,186,247</u>	<u>7,169,550</u>	<u>7,077,620</u>
Net position, beginning	35,756,440	29,865,067	31,800,189	30,613,942	67,556,629	60,479,009
Net position, June 30	<u>\$ 40,786,778</u>	<u>\$ 35,756,440</u>	<u>\$ 33,939,401</u>	<u>\$ 31,800,189</u>	<u>\$ 74,726,179</u>	<u>\$ 67,556,629</u>

Several aspects of the City's financial operations influenced the total unrestricted government-wide net position:

- Unrestricted cash increased by 15.6% to \$18,710,558.
  - Ad valorem revenue increased 33.9%, by 1,200,323 over the prior year. The City did not adjust the tax rate following revaluation of assessed property in Randolph County.
  - Sales tax revenue increased 5.5% by \$240,348 over the prior year. Consumers may be purchasing less than in recent years, but the amount spent is still increasing.
  - ARPA revenue replacement funds have not been spent on the anticipated capital project.
  - Governmental funds unrestricted investment earnings increased 64% over the prior year, to \$922,843. Investment earnings for the business-type funds increased 70% over the prior year, to \$615,903. Higher interest rates in addition to increased cash balances produced the higher earnings.

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

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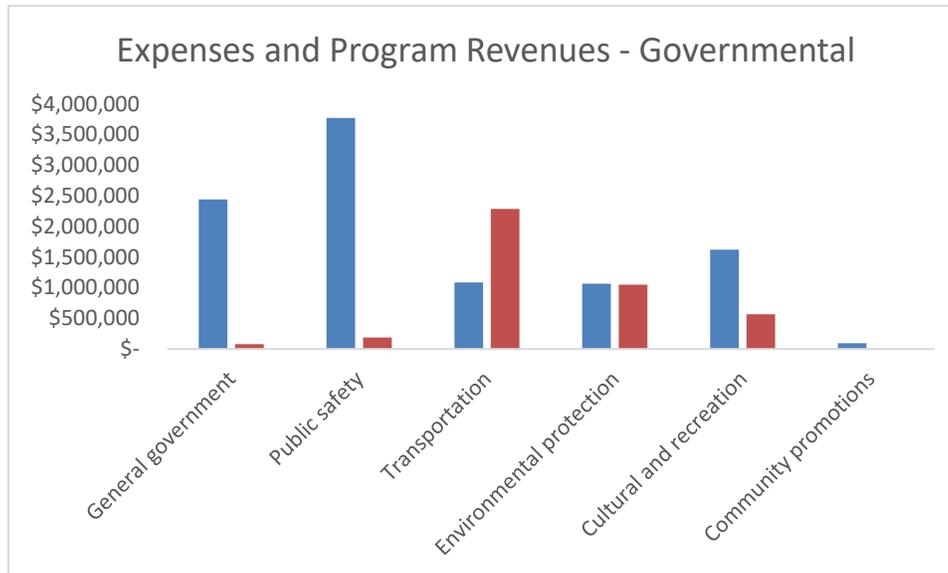
- The liability for compensated absences decreased from the prior year in governmental funds. Increased wage rates increased the compensated liability for vacation for most employees, as reflected in the business-type funds. However, vacation balances were paid upon termination of upper management positions resulting in decreased liability for general administration and the police department. Vacation in excess of 22 ½ days as of January 1 is converted to sick leave. Employee sick leave balances add value to the calculation of monthly retirement benefits.
- Department heads annually update a five-year plan for capital spending, which is presented to the Council for approval to include the first year in the proposed budget for the following year. This process has helped the City plan for the future and operate on a pay-as-you-go system.
- The City Council supports the IT Departments efforts to provide a secure operating environment. It is believed this use of resources has helped with continuity of operations and protection of data.
- The City's net pension liability for LGERS increased by \$180,528, of which 83% is allocated to governmental funds.
  - Investment return for the market value of assets for 2022 was (10.35%), which is below the expected return of 6.5%
  - Total covered payroll is increasing more quickly than expected due to higher than anticipated pay increases for the increasing active population.
  - An increase in retiree population is consistent with expectations.
  - The employer contribution rate is set by the state legislature and incremental increases are planned to help fund the liability. The assets in the plan are subject to investment market conditions.
- Net pension liability for LEOSSA decreased because the Trust net position increased more than the increase in total pension liability. There were no changes in benefit terms, actuarial assumptions, or actuarial methods, that affected the measurement of the total pension liability since the prior measurement period.
- Total OPEB liability decreased \$7,324 to \$224,821 and \$186,939 of this is in the governmental funds. This is an implicit liability since the retired employee pays the full cost of insurance under the City's plan. The total OPEB liability, deferred inflows, and deferred outflows changed in part for the following reasons:
  - The discount rate was changed from 3.69% to 3.86% resulting in an inflow.
  - The medical trend was updated resulting in an outflow.
  - There was an experience inflow primarily due to census data changes and premiums increasing less than expected.

**Governmental Activities:** Governmental activities increased the City's net position \$5,030,338, thereby accounting for 70% of the total growth in the net position of the City of Archdale. Key elements of this increase are as follows:

- Current assets increased and current liabilities decreased.
  - Cash, accrued interest receivable, and due from other governments increased due to the increases in related revenues as previously noted.
  - Advanced grant funds were recognized as revenue, primarily in the transportation area, because they were used for construction of an equipment shelter for Public Works.
- Streets, sidewalks, and greenways constructed by private developers were added to the City's infrastructure.

**CITY OF ARCHDALE**  
**Management’s Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2024**

**Figure 4**



**Business-Type Activities:** Business-type activities increased the City of Archdale’s net position by \$2,139,212, accounting for 30% of the total growth in the City’s net position. Key elements of the growth in net position are as follows:

- Total net position in the stormwater fund increased by \$21,605 to \$1,401,202.
- Net investment in capital assets increased by \$100,822. A vacuum trailer and a new truck were purchased. The vac trailer replaced a fully depreciated model that was sold. The asset inventory includes some large older model specialty vehicles that are fully depreciated but are useful as backup vehicles. Stormwater capital assets include specialty vehicles for the removal of limbs and leaf debris and a jet machine for clearing pipes.
- Net position in the water and sewer fund increased by \$2,117,607 to \$32,538,199.
- Net investment in capital assets increased by \$160,203.
  - The largest addition to assets was acceptance of sewer lines valued at \$909,386 constructed by the developer in a residential subdivision.
  - Depreciation and amortization expense exceeded asset additions resulting in a \$294,174 reduction to capital assets.
  - The amount of debt related to capital assets was reduced by payments to principal.
- Charges for services in the water and sewer fund increased 4.3 %. Water and sewer rates increased by 4.5%.
- Water treatment rights and wastewater treatment rights, along with related obligations, under interlocal agreements are recorded in the water and sewer fund.
- The City of High Point processes wastewater for Archdale. Archdale owns wastewater treatment rights at High Point’s Eastside Treatment Plant. As a consequence, Archdale must pay its share of capital upgrade projects. Generally, High Point allows partners to participate in the underlying debt service for the projects or pay the full share about one year after project completion. The City has two interlocal loans related to the sewer treatment plant totaling \$2,043,289 and requiring annual debt service of \$169,414.

**CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2024**

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- Archdale is a member of the Piedmont Triad Regional Water Authority (PTRWA). See Note II and Note IV in the notes to the financial statements for information about this joint venture. The budget for water purchases and related debt is based on a long-term shared financial model. The consistency of the model helps manage the budget and aids in the growth of net position.
- Stormwater fees are billed on active utility accounts and the revenue has been constant and predictable since the adoption of the fee in March 2008.
- The increase in LGERS pensions liability is allocated \$21,100 to the water and sewer fund and \$9,322 to the stormwater fund. The liability as of June 30 is \$375,380 and \$165,850, respectively. These increases are significantly less than increases in prior year. On June 30, 2022, the liability was \$87,606 and \$38,710, respectively.
- Both enterprise funds are self-supporting activities and net position are to be used for future large projects, capital replacement, and capital expansion requirements of the funds.
- Under GASB Statement No. 96 Subscription-Based Information Technology Arrangements, the City recognized a non-current subscription liability of \$24,239 in the water and sewer fund and \$2,298 in the stormwater fund. As expected, the liability is lower after the first year of implementation due to continuation under the same continuing subscriptions agreements. SBITA subscription assets net of amortization in the water and sewer fund totaled \$71,909 and \$15,595 in the stormwater fund.

#### **Financial Analysis of the City Funds**

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

The Archdale City Council has adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the City in such a manner that unassigned fund balance is at least equal to or greater than 50% of general fund operating expenditures, as defined in the policy. The policy includes fund balance assignments for economic development and capital expenditures.

**Governmental Funds:** The focus of the City of Archdale's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Archdale's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Archdale. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$5,626,754 with total fund balance of \$19,412,311. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 52% of total general fund expenditures, while total fund balance represents 179% of that same amount.

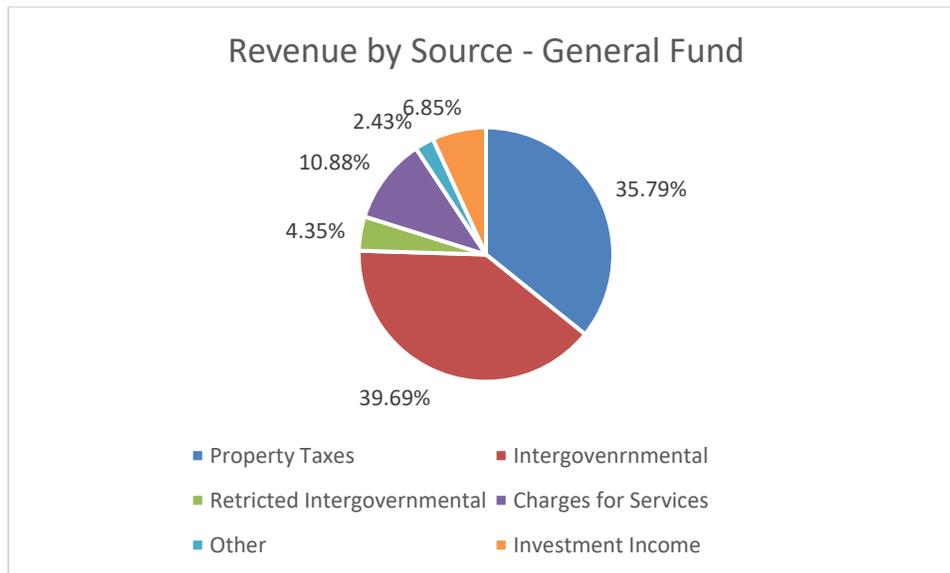
There are several significant transactions and trends that influenced the fund balance for the general fund:

- Approximately eight six percent of general fund revenues come from the following four sources: property taxes (35.8%), local sales taxes (34.3%), sales and services (10.9%), and utility sales tax (4.9%).
- Collections of current year tax revenues increased 32.7% over the prior year. Property valuations increased significantly as of January 1, 2023, when the latest Randolph County revaluation of assessed property took effect. The City of Archdale maintained its 31¢ per \$100 of assessed value tax rate. Randolph and Guilford Counties bill and collect property taxes due to the City of Archdale. The percentage of the net levy collected was 99.48%. Property taxes on registered motor vehicles are collected by the NCDMV along with registration renewals.
- Sales tax revenue increased 5.5% over the prior year. Year over year increases have ranged from 5.1% to 15.2% for the ten most recent fiscal years. This is one of the lowest year-over-year increases and may signal a slowdown in discretionary spending caused by price increases, as demonstrated in the national inflation numbers. In response, the Federal Reserve has increased interest rates, whereby consumers spend a higher percentage of earnings on mortgages and other personal loans. Unemployment levels that have remained at record low rates are starting to move upwards. The shift to online shopping for goods during the pandemic continues to have a positive impact on sales tax revenues.

**THE CITY OF ARCHDALE**  
**Management’s Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

- Customers pay monthly fees for waste disposal and recycling. These fees are established to generate revenue to cover the direct cost of the related services provided by a third-party contractor. The monthly service fee for the collection of one trash cart increased from \$12.90 a month to \$13.40 a month. The recycling cart collection fee increased from \$4.00 to \$4.60. The cost of sanitation services exceeded revenues by \$19,700 for the fiscal year 2024. For the fifth year in a row, the fees did not cover the cost of sanitation services. The City’s contracts for these services were renegotiated during fiscal year 2023.
- Overall, revenues from the utility sales tax distribution for electricity, telecommunications, natural gas, and video programming increased by \$15,076 in fiscal year 2024. Sales tax on electricity increased by \$31,038 and all other services had decreases. Sales tax on electricity and natural gas are based on the price and consumption; and consumption is tied directly to weather conditions.
- The City charges participation fees for sports programs, childcare programs, facility rentals, and special events. These fees are not intended to cover the cost of the related services. The modest fee increases have not made a significant change in the recreation revenues. The \$66,176 increase in recreation revenue is attributed to increased participation in the childcare programs. After-school care accounted for 46% of the increase, summer camp accounted for 34% of the increase and facility rentals accounted for 14% of the increase.
- The order of emphasis for cash balances is safety, liquidity, and yield. General fund interest income continued to increase in fiscal year 2025 to \$906,593 compared to \$502,244 in the prior fiscal year and \$17,545 in the fiscal year ending June 30, 2022.

**Figure 5**



- The City completed its ARPA fund requirements using the funds in the revenue replacement category during the prior fiscal year. These funds are included in fund balance assigned for capital.
- With the help of an insurance broker, the City has negotiated medical, dental, vision, and life insurance benefit rates with a combined total monthly rate increase of five percent.
- Actual expenditures were 62% of budgeted expenditures, which is less than prior years. Several capital projects were budgeted but not started.
- Powell Bill Funds are appropriated by the state legislature for specific street-related expenses for non-NCDOT system streets. The City uses these funds for annual street resurfacing contracts. Archdale received \$381,178, which is about \$33,206 more than last year’s amount. The second of the two annual allocations was higher than the first one, and actual revenue exceeded budget by 31,178. Fund balance restricted for streets from Powell Bill funds increased by

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

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\$70,476 to \$688,132. The City's restricted fund balance for Powell Bill funds is well below the maximum allowed accumulation of ten distributions, equal to five years revenue.

- Fund balance restricted for public safety increased \$90,573 to \$390,611. The police department received revenue of \$147,251. Revenue for this program is not budgeted until it is received. The Archdale Police Department used \$57,982 of restricted cash from its participation in the U.S. Departments of Justice and Treasury Equitable Sharing Programs. These funds may be used for law enforcement purposes only. The Police Department used these funds for the purchase, training, and support a new K-9 officer and purchase night vision equipment. These funds are used to support activities and purchases that supplement on-going budgeted operations.

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

The amendments to the City's budget for the fiscal year ended June 30, 2024 were made for the following reasons:

- Appropriate additional fund for purchase of real property for community development purposes.
- Police Department AFP (Asset Forfeiture Program) funds purchase of night-vision goggles/scope.
- Construction of an equipment shelter for the Public Works Department.
- Increased cost of street pavement condition study.
- Contract with SerCo for the Bush Hill public event.
- Repair two police vehicles.
- Police Department generator repairs.
- Police Department new recurring 911 dedicated circuit monthly fees.
- Repair the power lift on the ton truck for Public Works.
- Appropriate additional fund for purchase of real property for community development purposes.
- Increase employee compensation to retain current employees and fill vacancies in a highly competitive job market.
- IT maintenance and software licensing substantial price increase from the vendor's original quote.
- Purchase of two Police Department vehicles as it is difficult to find them to purchase.
- Appropriate additional fund for purchase of real property for community development purposes.
- Transfer City funds to the PARTF Capital Projects Fund.
- GASB 96 SBITAs (subscription-based information technology arrangements) requirement.

**Special Revenue Project Funds:** Two funds have been established to account for restricted cash received for various projects.

The PARTF fund is used to account for the City's development of a new City Park. State grant funds in the amount of \$500,000 were awarded from PARTF and the City must match those funds on a dollar-for-dollar basis. Federal grant funds in the amount of \$180,000 have also be awarded to help complete specific park areas. City funds totaling \$1,600,000 were transferred to the fund. Total expected cost to complete the park is \$2,382,375, including anticipated interest earnings.

The State Capital and Infrastructure Fund (SCIF) is used to account for three project grants awarded to the City from the State of North Carolina budget appropriations. The projects are \$200,000 to build an equipment shelter at the Public Works Facility, \$300,000 for greenway construction, and \$150,000 for greenway maintenance. All interest earned from these funds will also be spent on the projects. The greenway maintenance project was completed in fiscal year 2023. A new section of the greenway trail has been completed using a portion of the greenway construction SCIF funds. Construction for the equipment shelter at Public Works was undertaken in FY24 and is nearing completion, with additional funding from the general fund. The net position of the SCIF is \$12,669 and is to be used for greenway expansion projects.

**Proprietary Funds:** The City of Archdale's proprietary fund provides the same type of information found in the government-wide statements but in more detail. The unrestricted net position of the water and sewer fund and the stormwater fund at the end of the fiscal year amounted to \$11,588,841 and \$1,083,117 respectively.

**THE CITY OF ARCHDALE**  
**Management’s Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

**Capital Asset and Debt Administration**

**Capital Assets.** The City of Archdale’s investment in capital assets for its governmental and business–type activities as of June 30, 2024 totals \$42,890,431 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, infrastructure, and right-to-use assets.

Major capital asset transactions during the year included the following additions:

- Purchase of real property for transportation and economic development purposes.
- Equipment shelter construction for Public Works for vehicle and equipment storage.
- Audio visual replacement and upgrade for the City Council Chamber and training room in City Hall.
- Additional security cameras for Creekside Park.
- Two new police vehicles and equipment installation for three vehicles purchased in the prior year.
- Replacement radio consoles for 911 communications, handheld radios, laptops, and in-car/body cameras for the Police Department.
- A new K-9 was purchased with AFP funding.
- Mower replacement, utility vehicles, equipment trailer, and grounds-keeping equipment.
- IT replacements for City Hall and the Police Department.
- New ball field fencing.
- Completion of the pedestrian greenway constructed with SCIF grant funding.
- The City accepted streets, greenways, and utility lines constructed by a private developer.
- Truck replacement, building access system and a sewer pump replacement from the water and sewer fund.
- A vacuum trailer and a truck were purchased in the stormwater fund.
- Right-to-use assets under GASB 96.

The City of Archdale’s Capital Assets  
**(net of depreciation and amortization)**

**Figure 6**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land, streets, and rights-of-way	\$ 8,765,196	\$ 9,128,943	\$ 413,119	\$ 414,047	\$ 9,178,315	\$ 9,542,990
Construction in progress	1,114,489	289,938	-	-	1,114,489	289,938
Water rights	-	-	6,666,099	6,883,403	6,666,099	6,883,403
Water treatment rights	-	-	3,765,844	4,014,516	3,765,844	4,014,516
Streets and pedestrian paths	3,747,204	-	-	-	3,747,204	-
Buildings and systems	5,518,639	5,719,009	-	-	5,518,639	5,719,009
Improvements other than buildings	833,975	2,324,781	16,781	18,477	850,756	2,343,258
Equipment, vehicles, and furniture	1,761,679	1,679,372	1,897,305	1,915,478	3,658,984	3,594,850
Computer software	65,476	89,155	7,541	15,061	73,017	104,216
Water distribution system	-	-	2,353,827	2,504,592	2,353,827	2,504,592
Sewer collection system	-	-	9,518,733	9,044,906	9,518,733	9,044,906
Right-to-use IT subscriptions	318,467	306,731	87,504	114,290	405,971	421,021
<b>Total</b>	<b>\$ 22,125,125</b>	<b>\$ 19,537,929</b>	<b>\$ 24,726,753</b>	<b>\$ 24,924,770</b>	<b>\$ 46,851,878</b>	<b>\$ 44,462,699</b>

Additional information on the City’s capital assets can be found in note II.A.7 of the Basic Financial Statements.

**Long-Term Debt:** As of June 30, 2024, the City of Archdale Water and Sewer Fund had total debt outstanding of \$3,548,349. All debt is in the form of interlocal agreements related to the investment in High Point’s Eastside wastewater treatment plant and the Piedmont Triad Regional Water Authority John Kime Water Treatment Plant. The final payment on an agreement with

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

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Davidson Water for the purchase of a water line and water utility customers is October 2030. It is anticipated that capital improvements at Eastside as well as other large utility expansions will be funded with new debt as they occur in the future.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt limit for the City of Archdale is \$123,703,252.

Additional information regarding the City of Archdale's long-term debt can be found in Note II.G of this report.

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

The following key economic indicators influence the growth and prosperity of the City.

- The North Carolina Department of Commerce's July County and Area Employment Figures reports eighty of the hundred counties have unemployment rates 5% or below, which was ninety-one counties in July of 2023. When compared to the same month last year, not seasonally adjusted unemployment rates increased in 98 out of the 100 counties. The unemployment rate for Randolph County increased to 4.5% in July compared to 3.7% in July of last year.
- The Office of Budget and Management for the State of North Carolina reports Archdale's certified population estimate as of July 1, 2022 at 11,983, a decrease of 44 from July 1, 2021.
- The PTRWA has proposed the expansion of a 12MGD water plant addition. Archdale plans to participate in the expansion to bring our total raw water allocation to 2.45MGD. Archdale would own 5.1% of the 48MGD total raw water allocation, which is our current maximum allowable ultimate percentage of ownership. Due to the new regulations regarding emerging contaminants, the existing water treatment plant and the proposed expansion must be upfitted with an advanced treatment system of RO (reverse osmosis). Archdale's percentage of the total cost is under review as well as financing options to pay for the expenses. This will be a substantial investment in the City's water system.
- Easy access to quality healthcare, education facilities, and recreation.
- Located on an interstate highway system with close access to several larger cities with international airports. North Carolina has the second largest interstate highway system in the country. The interstate brings traffic to support the many regional restaurant chains, hotels, and gas stations in Archdale.
- Toyota has projected its total investment will be \$13.9 billion for its Toyota Battery Manufacturing North Carolina location in Liberty, NC. They estimate to add over 5,000 jobs with the manufacturing plant. The company is set to begin production of batteries in 2025. This is expected to bring growth to the Piedmont Triad region. Archdale City Hall is within a 30-minute driving distance from the Toyota manufacturing site.
- Applications for additional residential, commercial, and industrial units are in various stages of the City review process. Lancaster Custom Crafted Upholstery has broken ground on the construction of its new facility. Construction has been approved on over 1,200 approved residential units including single family homes, townhomes, and apartments. Several of these sites have begun land preparation and one has begun the construction phase.
- Archdale has several large tracts of land with access to water and sewer services.
- The City's planning department is continuing to work with a consultant for the development of downtown gathering space, commerce parks, and improvements for economic development as identified in the *Plan Archdale!* Comprehensive Plan, adopted in December 2020. The Plan Archdale Commission is involved in the planning of future development in Archdale.
- Randolph County Tax Office reappraised all the real property in the county at its current market value effective January 1, 2023. The assessed value was estimated by the tax office to be 95% of market value on January 1<sup>st</sup>, 2023. As of June 30, 2024, the assessed value was estimated to be 73.7% of market value. The next Randolph County revaluation is scheduled for 2027.
- The community college system works with local industry and economic development professionals to provide free customized training. Apprenticeship Randolph offers high school juniors and seniors' skills and experience through on-the-job training.
- Archdale is a member of the AARP Network of Age-Friendly States and Communities. People of all ages benefit from the adoption of policies and programs that make neighborhoods walkable, feature transportation options, enable access to key services, provide opportunities to participate in community activities, and support housing that's

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

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affordable and adaptable. Well-designed, age-friendly communities foster economic growth and make for happier, healthier residents of all ages.

- The largest number of employees in Archdale work in manufacturing or health care and social assistance. Other key industries include retail trade, education, transportation and warehousing, construction, wholesale trade, and finance and insurance.
- In 2023, North Carolina was the ninth largest state in the nation by population. North Carolina ranked third among all states in numeric growth from July 1<sup>st</sup>, 2022 to July 1<sup>st</sup>, 2023. The state gained one additional congressional seat after the 2020 Census apportionment numbers were reported on April 26, 2021. Domestic net migration accounted for 70% of population growth from 2022 to 2023.

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

**Governmental Activities:** The property tax rate remained at 31 cents per one hundred dollars of property value. Sales tax revenue is budgeted 2.2% higher than what was received in fiscal year 2024. The cost of a monthly service for a garbage cart increases sixty cents to \$14.00 due to an increase in the cost of this contracted service. Recycling cart monthly service increases forty cents to \$5.00. The original budget includes an appropriation from fund balance of \$2,536,570, including \$156,400 from restricted fund balance. The beginning budget for capital expenditures is \$3,855,500. As of June 30<sup>th</sup>, 2024, the budget includes appropriation of fund balance of \$3,470,370.

Budgeted expenditures in the original budget for the General Fund was \$15,569,550 in fiscal year 2025, compared to last year's final budget of \$16,103,864 in fiscal year 2024. The budget for the fiscal year ending June 30, 2024 has already been amended to \$16,674,350 for the following:

- Implementation of recommended salary and related benefit increase under the pay and classification study, which was adopted in June 2024.
- HVAC controls project.

This budget includes appropriations for a secondary internet connection for backup and disaster recovery, access point and switch replacements, City Hall surveillance system upgrades, and other IT upgrades and replacements. Facilities and Grounds will replace a mower, replace a 2005 truck, and enclose a back section of their building for more space to protect their equipment from weather damage. The Police Department will replace their NVR system and cameras, replace interview room equipment, acquire a digital fingerprint system, and other IT upgrades. The PD will purchase one new vehicle and outfit two vehicles for service. Public Works will purchase replacements for a small mower and a side mower attachment. A new service dump ton truck will be purchased for Public Works. The City has budgeted for street resurfacing funds in addition to the Powell Bill funds. The Archdale Parks and Recreation Department budget includes planned expansion of the recreation center with a space needs study, bridge replacement, replacement of a passenger van with a new bus, and ballfield lighting replacements. Security camera additions and replacements are also planned for Creekside Park. The recreation department received a state grant for greenway trail construction and will work to complete a project to close out the remaining grant funds. The planning department has funding for outside consulting services for work on updating the City's comprehensive plan, a plotter/scanner replacement, and plan submittal software. The City was awarded a PARTF Grant and Rural Transformation Grant in 2024 to assist in the construction of a new park in Archdale. The City is working toward completing contracts and bids to move forward with construction of the new park. The City was also awarded a Rural Community Capacity Grant in 2024 to assist in the upgrading of a lighting project and is working toward completing that project.

**Business-type Activities:**

**Water and Sewer Fund:** The water and sewer rates are reviewed each year during the budget process. Monthly water and sewer user fees are increasing 4%. The water and sewer fund are operated as a self-supported enterprise and the balance in unrestricted net position is necessary to finance expansion and replacement of infrastructure.

Budgeted expenditures in the original budget for the water and sewer fund were \$5,429,300 in fiscal year 2025, compared to last year's final budget of \$4,318,947 in fiscal year 2024. The budget for the fiscal year ending June 30, 2025 has already been amended to \$4,923,800 for the following:

- Implementation of recommended salary and related benefit increase under the pay and classification study.

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year End June 30, 2024**

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The fiscal year 2025 budget includes the following budget impacts.

- The budget for debt service is \$512,700 which is 10.9% percent of the water and sewer fund operating budget, excluding sewer capital projects.
- The \$438,200 budget for water purchases is based on take-or-pay contract with the PTRWA for 915,000 gallons per day and an additional allowance as needed. The cost per gallon increased 4% over the prior year.
- The sewer treatment rate charged by the City of High Point is determined annually based on the previous year's Eastside Wastewater Treatment Plant operating expenses. The rate for FY25 is unchanged from the prior year. It should be noted that the FY24 rate was a 32% increase.
- Water and sewer fund equipment purchases include replacements of a utility vehicle, IT equipment, a water sampler devise, and a multi-function copier.
- Eleven PLCs, which control pump and measurement systems throughout the City, are budgeted for replacement due to age and functionality issues. These devices monitor information in critical locations such as sewer pump stations and the water tank.
- Preventative maintenance on the City's ten sewer pump stations, generators and automatic transfer switches remains a priority. The budget includes efforts to rehabilitate the wet wells of pump stations showing age and wear.
- Reimbursement of \$700,000 to the City of High Point for Archdale's 10% share of completed capital projects at the Eastside Wastewater Treatment Plant.
  
- The City was awarded \$3,600,000 in ARPA funding under S.L. 2022-74 by the North Carolina General Assembly. The appropriations will be received from the Department of Environmental Quality (DEQ) for water and/or wastewater projects. The NC DEQ/Division of Water Infrastructure (Division) will administer the funds. The City is working with the Piedmont Triad Regional Council to create bid documents for design-build sewer system projects. This project has been budgeted in a special revenue project fund.

**Stormwater Fund:** Stormwater fee revenue is budgeted to remain steady. These fees are used to support compliance with Federal and State stormwater regulations. The fund provides for drainage repairs in the public right-of-way, leaf and limb collection, street sweeping, stormwater education, and grinding of collected vegetative debris. The budget appropriates \$13,100 of net position to fund activities in the FY25 budget. However, it is likely that budget to actual expense will have a favorable variance and no reduction of net position will result from the year's activities. Generally, net position will fund larger future projects and purchase replacement equipment.

**Requests for Information**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Mark Barnhardt, P.O. Box 14068, Archdale, N.C. 27263. Archdale's website is <http://www.archdale-nc.gov>.

## BASIC FINANCIAL STATEMENTS



**City of Archdale, North Carolina**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents/investments	\$ 18,710,558	\$ 12,341,183	\$ 31,051,741
Taxes receivables (net)	44,794	-	44,794
Accrued interest receivable	147,591	526	148,117
Accounts receivable (net)	89,413	719,273	808,686
Due from other governments	1,610,661	-	1,610,661
Lease receivable	-	29,985	29,985
Inventories	-	118,620	118,620
Prepaid items	15,737	-	15,737
Restricted cash and cash equivalents	1,564,651	586,537	2,151,188
Total current assets	22,183,405	13,796,124	35,979,529
Non-current assets:			
Capital assets:			
Land, non-depreciable improvements, and construction in progress	9,879,685	401,575	10,281,260
Other capital assets, net	12,245,440	24,325,178	36,570,618
Total capital assets	22,125,125	24,726,753	46,851,878
Total noncurrent assets	22,125,125	24,726,753	46,851,878
Total assets	44,308,530	38,522,877	82,831,407
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	1,900,198	329,213	2,229,411
OPEB deferrals	35,133	7,119	42,252
Total deferred outflows of resources	1,935,331	336,332	2,271,663

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

(continued)

**City of Archdale, North Carolina**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	638,908	155,253	794,161
Accrued interest payable	2,664	9,245	11,909
Current portion of long-term liabilities	357,573	501,822	859,395
Payable from restricted assets	454,619	432,100	886,719
Advance from grantor	18,620	-	18,620
Total current liabilities	<u>1,472,384</u>	<u>1,098,420</u>	<u>2,570,804</u>
Long-term liabilities:			
Net pension liability	2,670,437	541,230	3,211,667
Net pension liability-LEOSSA	528,000	-	528,000
OPEB liability	180,939	36,582	217,521
Due in more than one year	245,136	3,149,053	3,394,189
Total long-term liabilities	<u>3,624,512</u>	<u>3,726,865</u>	<u>7,351,377</u>
Total liabilities	<u>5,096,896</u>	<u>4,825,285</u>	<u>9,922,181</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	-	29,373	29,373
Prepaid cash receipts	6,600	-	6,600
Pension deferrals	197,642	33,549	231,191
OPEB deferrals	155,945	31,601	187,546
Total deferred inflows of resources	<u>360,187</u>	<u>94,523</u>	<u>454,710</u>
<b>NET POSITION</b>			
Net investment in capital assets	21,777,426	21,113,005	42,890,431
Restricted for:			
Stabilization by State Statute	2,403,323	-	2,403,323
Transportation	688,132	-	688,132
Public safety	390,611	-	390,611
Culture and recreation	12,669	-	12,669
System development	-	154,437	154,437
Unrestricted	15,514,617	12,671,959	28,186,576
Total net position	<u>\$ 40,786,778</u>	<u>\$ 33,939,401</u>	<u>\$ 74,726,179</u>

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

City of Archdale, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 2,442,302	\$ 67,089	\$ 10,044	\$ -	\$ (2,365,169)	\$ -	\$ (2,365,169)
Public safety	3,772,428	-	185,190	-	(3,587,238)	-	(3,587,238)
Transportation	1,087,187	-	424,157	1,861,558	1,198,528	-	1,198,528
Environmental protection	1,068,375	1,039,341	12,514	-	(16,520)	-	(16,520)
Cultural and recreation	1,623,637	401,191	69,445	93,679	(1,059,322)	-	(1,059,322)
Community promotions	91,545	-	-	-	(91,545)	-	(91,545)
Interest on long-term debt	5,966	-	-	-	(5,966)	-	(5,966)
Total governmental activities	10,091,440	1,507,621	701,350	1,955,237	(5,927,232)	-	(5,927,232)
Business-type activities:							
Water and sewer	4,191,256	4,819,128	-	933,175	-	1,561,047	1,561,047
Stormwater	549,512	511,774	-	-	-	(37,738)	(37,738)
Total business-type activities	4,740,768	5,330,902	-	933,175	-	1,523,309	1,523,309
Total primary government	\$ 14,832,208	\$ 6,838,523	\$ 701,350	\$ 2,888,412	(5,927,232)	1,523,309	(4,403,923)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					4,737,877	-	4,737,877
Grants and contributions not restricted to specific programs					5,253,085	-	5,253,085
Unrestricted investment earnings					922,843	615,903	1,538,746
Miscellaneous					43,765	-	43,765
Total general revenues					10,957,570	615,903	11,573,473
Change in net position					5,030,338	2,139,212	7,169,550
Net position, beginning					35,756,440	31,800,189	67,556,629
Net position, ending					\$ 40,786,778	\$ 33,939,401	\$ 74,726,179

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

**City of Archdale, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	Major			Total Governmental Funds
	General Fund	PARTF Fund	SCIF Fund	
<b>ASSETS</b>				
Cash and cash equivalents/investments	\$ 17,131,160	\$ 1,579,398	\$ -	\$ 18,710,558
Restricted cash	1,533,362	-	31,289	1,564,651
Receivables, net:				
Taxes	44,794	-	-	44,794
Accounts	89,413	-	-	89,413
Interest	82,962	-	-	82,962
Due from other governments	1,537,149	73,512	-	1,610,661
Due from other funds	114,760	-	-	114,760
Prepaid items	15,737	-	-	15,737
Total assets	<u>\$ 20,549,337</u>	<u>\$ 1,652,910</u>	<u>\$ 31,289</u>	<u>\$ 22,233,536</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	628,349	10,559	-	638,908
Accrued interest payable	2,664	-	-	2,664
Due to other funds	-	114,760	-	114,760
Accounts payable from restricted assets	454,619	-	-	454,619
Advance from grantor	-	-	18,620	18,620
Total liabilities	<u>1,085,632</u>	<u>125,319</u>	<u>18,620</u>	<u>1,229,571</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes receivable	44,794	-	-	44,794
Prepaid cash receipts	6,600	-	-	6,600
Total deferred inflows of resources	<u>51,394</u>	<u>-</u>	<u>-</u>	<u>51,394</u>
<b>FUND BALANCES</b>				
Non spendable				
Prepays	15,737	-	-	15,737
Restricted				
Stabilization by state statute	2,403,323	-	-	2,403,323
Streets	688,132	-	-	688,132
Public safety	390,611	-	-	390,611
Cultural and recreation	-	-	12,669	12,669
Assigned				
Subsequent year's expenditures	3,470,370	-	-	3,470,370
Economic development	695,484	-	-	695,484
Cultural and recreation	-	1,527,591	-	1,527,591
Capital	6,121,900	-	-	6,121,900
Unassigned	5,626,754	-	-	5,626,754
Total fund balances	<u>19,412,311</u>	<u>1,527,591</u>	<u>12,669</u>	<u>20,952,571</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,549,337</u>	<u>\$ 1,652,910</u>	<u>\$ 31,289</u>	

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

(continued)

**City of Archdale**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total Fund Balance, Governmental Funds		\$ 20,952,571
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Gross capital assets at historical cost	\$ 31,459,067	
Accumulated depreciation	<u>(9,333,942)</u>	22,125,125
Deferred outflows of resources related to pensions are not reported in the funds		1,900,198
Deferred outflows of resources related to OPEB are not reported in the funds		35,133
Other long-term assets (accrued interest receivable from taxes and investments) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.		64,629
Earned revenues considered deferred inflows of resources in fund statements.		44,794
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in fund statements:		
Compensated absences	(249,010)	
Note payable	(78,175)	
Subscription liability	(269,524)	
Net pension liability	(2,670,437)	
Net pension liability - LEOSSA	(528,000)	
Total OPEB liability	<u>(186,939)</u>	(3,982,085)
Deferred inflows of resources related to pensions are not reported in the funds		(197,642)
Deferred inflows of resources related to OPEB are not reported in the funds		<u>(155,945)</u>
Net position of governmental activities		<u><u>\$ 40,786,778</u></u>

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

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

	Major			<b>Total Governmental Funds</b>
	General Fund	PARTF Fund	SCIF Fund	
<b>REVENUES</b>				
Ad valorem taxes	\$ 4,736,720	\$ -	\$ -	\$ 4,736,720
Unrestricted intergovernmental	5,253,085	-	-	5,253,085
Restricted intergovernmental	575,981	73,512	211,345	860,838
Permits and fees	67,089	-	-	67,089
Sales and services	1,440,532	-	-	1,440,532
Investment earnings	906,593	1,102	9,302	916,997
Miscellaneous	254,623	-	-	254,623
Total revenues	13,234,623	74,614	220,647	13,529,884
<b>EXPENDITURES</b>				
Current:				
Governing body	45,897	-	-	45,897
Administration	336,134	-	-	336,134
Information technology	556,990	-	-	556,990
Finance	412,897	-	-	412,897
Legal	43,818	-	-	43,818
Planning and zoning	273,117	-	-	273,117
Facilities and grounds	461,867	-	-	461,867
Police	3,279,749	-	-	3,279,749
Fire inspections	32,945	-	-	32,945
Streets	524,265	-	-	524,265
Streets-Powell Bill	347,033	-	-	347,033
Sanitation	1,068,375	-	-	1,068,375
Parks and recreation	984,315	32,263	16,495	1,033,073
Senior building	13,356	-	-	13,356
Library	150,220	-	-	150,220
Community promotions	91,545	-	-	91,545
Debt service:				
Principal	148,220	-	-	148,220
Interest and other charges	5,966	-	-	5,966
Capital outlay	2,070,790	-	208,329	2,279,119
Total expenditures	10,847,499	32,263	224,824	11,104,586
Excess (deficiency) of revenues over (under) expenditures	2,387,124	42,351	(4,177)	2,425,298
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (to) from other funds	(1,485,240)	1,485,240	-	-
IT subscription agreements	139,454	-	-	139,454
Issuance of debt	30,425	-	-	30,425
Total other financing sources (uses)	(1,315,361)	1,485,240	-	169,879
Net change in fund balance	1,071,763	1,527,591	(4,177)	2,595,177
Fund balances, beginning	18,340,548	-	16,846	18,357,394
Fund balances, ending	\$ 19,412,311	\$ 1,527,591	\$ 12,669	\$ 20,952,571

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

(continued)

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

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

Net changes in fund balances - total governmental funds		\$ 2,595,177
<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 transactions exceeded depreciation in the current period:</p>		
Capital outlay expenditures which were capitalized	2,279,119	
Capital asset contribution from developers	1,679,049	
Sale and disposal of capital assets in excess of depreciation	(152,825)	
Cancellation of SBITA agreements	(15,795)	
Depreciation and amortization expense for governmental assets	<u>(1,202,352)</u>	2,587,196
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		452,733
<p>Benefit payments for the LEOSSA are not included on the Statement of Activities</p>		
		51,092
<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	106	
Interest receivable from taxes and investments	<u>55,522</u>	55,628
<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 transactions has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>		
Long-term debt issued	(169,879)	
Principal payments on long-term debt	148,220	
Cancellation of SBITA agreements	<u>15,795</u>	(5,864)
<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>		
Compensated absences	11,435	
Pension expense	(709,611)	
Pension expense (LEOSSA)	(8,384)	
OPEB plan income	<u>936</u>	<u>(705,624)</u>
Total changes in net position of governmental activities		<u><u>\$ 5,030,338</u></u>

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

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

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,631,040	\$ 4,631,040	\$ 4,736,720	\$ 105,680
Unrestricted intergovernmental	5,177,000	5,177,000	5,253,085	76,085
Restricted intergovernmental	784,500	784,500	575,981	(208,519)
Permits and fees	19,000	19,000	67,089	48,089
Sales and services	1,317,600	1,317,600	1,440,532	122,932
Investment earnings	528,000	528,000	906,593	378,593
Miscellaneous	68,870	47,000	254,623	207,623
Total revenues	<u>12,526,010</u>	<u>12,504,140</u>	<u>13,234,623</u>	<u>730,483</u>
<b>Expenditures:</b>				
Governing body	50,620	50,620	45,897	4,723
Administration	422,940	417,940	336,134	81,806
Information technology	956,430	1,079,422	924,580	154,842
Finance	543,835	571,948	412,897	159,051
Legal	50,000	50,000	43,818	6,182
Planning and zoning	566,610	589,270	273,117	316,153
Facilities and grounds	640,775	1,088,775	948,538	140,237
Police	4,500,223	4,714,729	3,931,855	782,874
Fire inspections	32,945	32,945	32,945	-
Streets	555,475	1,267,875	1,183,397	84,478
Streets-Powell Bill	623,000	623,000	347,033	275,967
Sanitation	1,091,300	1,091,300	1,068,375	22,925
Parks and recreation	5,119,113	5,133,241	1,043,792	4,089,449
Senior building	22,240	22,240	13,356	8,884
Library	162,150	162,150	150,220	11,930
Community promotions	481,174	629,201	91,545	537,656
Contingency	10,000	10,000	-	10,000
Total expenditures	<u>15,828,830</u>	<u>17,534,656</u>	<u>10,847,499</u>	<u>6,687,157</u>
Revenues over (under) expenditures	<u>(3,302,820)</u>	<u>(5,030,516)</u>	<u>2,387,124</u>	<u>7,417,640</u>
<b>Other financing sources (uses):</b>				
Transfer from ARPA fund	-	(1,600,000)	(1,485,240)	114,760
IT subscription agreements	-	150,000	139,454	(10,546)
Issuance of debt	-	30,425	30,425	-
Total other financing sources (uses)	<u>-</u>	<u>(1,419,575)</u>	<u>(1,315,361)</u>	<u>104,214</u>
Fund balance appropriated	<u>3,302,820</u>	<u>6,450,091</u>	<u>-</u>	<u>(6,450,091)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,071,763</u>	<u>\$ 1,071,763</u>
Fund balances, beginning			<u>18,340,548</u>	
Fund balances, ending			<u>\$ 19,412,311</u>	

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

**City of Archdale, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2024**

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents/investments	\$ 11,185,287	\$ 1,155,896	\$ 12,341,183
Restricted cash	586,537	-	586,537
Accounts receivable (net) - billed	420,253	42,347	462,600
Accounts receivable (net) - unbilled	256,673	-	256,673
Accrued interest receivable on leases	526	-	526
Lease receivable	29,985	-	29,985
Inventories	118,620	-	118,620
Total current assets	<u>12,597,881</u>	<u>1,198,243</u>	<u>13,796,124</u>
Noncurrent assets:			
Capital assets:			
Land, easements and construction in progress	401,575	-	401,575
Other capital assets, net of depreciation and amortization	23,997,655	327,523	24,325,178
Total capital assets	<u>24,399,230</u>	<u>327,523</u>	<u>24,726,753</u>
Total noncurrent assets	<u>24,399,230</u>	<u>327,523</u>	<u>24,726,753</u>
Total assets	<u>36,997,111</u>	<u>1,525,766</u>	<u>38,522,877</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	228,330	100,883	329,213
OPEB deferrals	4,939	2,180	7,119
Total deferred outflows of resources	<u>\$ 233,269</u>	<u>\$ 103,063</u>	<u>\$ 336,332</u>

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

(continued)

**City of Archdale, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2024**

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 144,677	\$ 10,576	\$ 155,253
Accrued interest payable	9,178	67	9,245
Payable from restricted assets	432,100	-	432,100
Compensated absences - current	19,000	5,000	24,000
Interlocal agreements payable	437,660	-	437,660
IT subscription liabilities	31,721	7,141	38,862
OPEB liability	900	400	1,300
Total current liabilities	<u>1,075,236</u>	<u>23,184</u>	<u>1,098,420</u>
Noncurrent liabilities:			
Compensated absences	6,691	5,136	11,827
Interlocal agreements payable	3,110,689	-	3,110,689
IT subscription liabilities	24,239	2,298	26,537
Net pension liability	375,380	165,850	541,230
OPEB liability	25,381	11,201	36,582
Total noncurrent liabilities	<u>3,542,380</u>	<u>184,485</u>	<u>3,726,865</u>
Total liabilities	<u>4,617,616</u>	<u>207,669</u>	<u>4,825,285</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	29,373	-	29,373
Pension deferrals	23,268	10,281	33,549
OPEB deferrals	21,924	9,677	31,601
	<u>74,565</u>	<u>19,958</u>	<u>94,523</u>
<b>NET POSITION</b>			
Net investment in capital assets	20,794,921	318,084	21,113,005
Restricted for system development	154,437	-	154,437
Unrestricted	11,588,841	1,083,118	12,671,959
Total net position	<u>\$ 32,538,199</u>	<u>\$ 1,401,202</u>	<u>\$ 33,939,401</u>

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

**City of Archdale, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<u>Major</u> <u>Water and</u> <u>Sewer Fund</u>	<u>Nonmajor</u> <u>Stormwater Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 4,603,434	\$ 501,839	\$ 5,105,273
Water and sewer taps	34,010	-	34,010
Other operating revenues	153,027	9,935	162,962
<b>Total operating revenues</b>	<u>4,790,471</u>	<u>511,774</u>	<u>5,302,245</u>
<b>OPERATING EXPENSES</b>			
Salaries and employee benefits	832,569	265,063	1,097,632
Water purchases	426,486	-	426,486
Waste collection and treatment costs	622,718	-	622,718
Other operating expenses	887,698	178,160	1,065,858
Depreciation and amortization	1,336,006	106,222	1,442,228
<b>Total operating expenses</b>	<u>4,105,477</u>	<u>549,445</u>	<u>4,654,922</u>
<b>Operating income (loss)</b>	<u>684,994</u>	<u>(37,671)</u>	<u>647,323</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Lease revenue	28,657	-	28,657
Investment earnings	556,560	59,343	615,903
Interest and other charges	(85,779)	(67)	(85,846)
<b>Total nonoperating revenue (expenses)</b>	<u>499,438</u>	<u>59,276</u>	<u>558,714</u>
<b>Income (loss) before contributions</b>	1,184,432	21,605	1,206,037
Capital contributions	909,386	-	909,386
System development fees	23,789	-	23,789
<b>Total contributions</b>	<u>933,175</u>	<u>-</u>	<u>933,175</u>
Change in net position	2,117,607	21,605	2,139,212
Total net position, beginning	30,420,592	1,379,597	31,800,189
Total net position, ending	<u>\$ 32,538,199</u>	<u>\$ 1,401,202</u>	<u>\$ 33,939,401</u>

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

**City of Archdale, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Water and</u>	<u>Stormwater</u>	
	<u>Sewer</u>	<u>Fund</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 4,562,358	\$ 512,684	\$ 5,075,042
Cash paid for goods and services	(2,021,146)	(178,239)	(2,199,385)
Cash paid to or on behalf of employees for services	(792,000)	(246,832)	(1,038,832)
Customer deposits received	106,063	-	106,063
Customer deposits returned	(77,459)	-	(77,459)
Other operating revenues	153,237	-	153,237
Net cash provided by operating activities	<u>1,931,053</u>	<u>87,613</u>	<u>2,018,666</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
System Development Fees	23,789	-	23,789
Acquisition and disposal of capital assets	(132,446)	(202,379)	(334,825)
IT subscription agreement	8,642	2,708	11,350
Principal and interest paid on notes	(549,214)	(7,459)	(556,673)
Cash received from a cell tower agreement	28,657	-	28,657
Net cash used by capital and related financing activities	<u>(620,572)</u>	<u>(207,130)</u>	<u>(827,702)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	557,067	59,343	616,410
Net increase (decrease) in cash and cash equivalents/investments	1,867,548	(60,174)	1,807,374
Balances, beginning	9,904,276	1,216,070	11,120,346
Balances, ending	<u>\$ 11,771,824</u>	<u>\$ 1,155,896</u>	<u>\$ 12,927,720</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 684,994	\$ (37,671)	\$ 647,323
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,336,006	106,222	1,442,228
Changes in assets, deferred outflows of resources, and liabilities:			
(Increase) decrease in accounts receivable	(45,160)	910	(44,250)
(Increase) decrease in inventories	(38,529)	-	(38,529)
(Increase) decrease in lease receivable	28,867	-	28,867
(Increase) decrease in deferred outflows of resources - pensions	512	224	736
(Increase) decrease in deferred outflows of resources - OPEB	1,372	607	1,979
Increase (decrease) in net pension liability	21,100	9,322	30,422
Increase (decrease) in deferred inflows of resources for pensions	14,497	6,406	20,903
Increase (decrease) in accounts payable and accrued liabilities	(44,160)	708	(43,452)
Increase (decrease) in customer deposits	28,604	-	28,604
Increase (decrease) in accrued vacation pay	3,037	1,550	4,587
Increase( decrease) in deferred inflows of resources-leases	(28,657)	-	(28,657)
Increase( decrease) in deferred inflows of prepaid receipts	(29,926)	-	(29,926)
Increase (decrease) in deferred inflows of resources - OPEB	(648)	(287)	(935)
Increase (decrease) in OPEB liability	(856)	(378)	(1,234)
Total adjustments	<u>1,246,059</u>	<u>125,284</u>	<u>1,371,343</u>
Net cash provided by operating activities	<u>\$ 1,931,053</u>	<u>\$ 87,613</u>	<u>\$ 2,018,666</u>

**NONCASH CAPITAL CONTRIBUTION**

The City Council accepted sewer lines constructed by a residential developer. The \$909,386 value is based in cost information provided by the developer.

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

**City of Archdale, North Carolina  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2024**

	<b>LEOSSA Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents/investments	
Mutual funds:	
NC Short Term Investment Fund	\$ 288
NC Equity Index Fund	637,280
NC Bond Investment Fund	233,726
Total assets	871,294
 <b>NET POSITION</b>	
Restricted for pension	\$ 871,294

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

**City of Archdale, North Carolina**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

	<b>LEOSSA Trust Fund</b>
<b>ADDITIONS</b>	
Employer contributions	\$ 137,985
Investment earnings:	
Net appreciation (depreciation) in the fair value of investments	105,841
Investment income	5,260
Total investment earnings	111,101
Less investment costs	
Investment manager and advisory fees	133
Net investment income	110,968
Total additions	248,953
<b>DEDUCTIONS</b>	
Benefits paid	103,985
Net increase (decrease) in fiduciary net position	144,968
Total net position restricted for pension, beginning	726,326
Total net position restricted for pension, ending	\$ 871,294

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

## NOTES TO THE FINANCIAL STATEMENTS



**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

**I. Summary of Significant Accounting Policies**

The accounting policies of the City of Archdale 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 City of Archdale is a municipal corporation that is governed by an elected mayor and a six-member council.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Internal activities related to interfund services provided, such as water and sewer services to the general government, are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. 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 City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the City's funds, including the fiduciary fund. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The City reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the City. 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, intergovernmental revenues, service fees and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, parks and recreation, and sanitation services.

**Parks and Recreation Trust Fund (PARTF)** is used to account for development and construction of new park and recreation facilities. Revenue is provided by state grants awarded from PARTF and NC Commerce, as well as transfers from the general fund.

**State Capital and Infrastructure Fund.** The State Capital and Infrastructure Fund (SCIF) is used to account for directed grant funds appropriated by the North Carolina General Assembly in the North Carolina state budget. Appropriated funds will be used for constructing an equipment shelter for the Public Works department, expansion of the greenway, and maintenance of the greenway.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

The City reports the following major enterprise fund:

**Water and Sewer Fund.** This fund is used to account for the City's water and sewer operations. Included as sub funds are the Water and Sewer Capital Fund and the Capital Reserve Fund. The sub funds have been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparisons for the Water and Sewer Capital Fund and the Capital Reserve Fund have been included in the supplemental information.

**Water and Sewer Capital Fund.** Accounts for major capital projects.

**Water and Sewer Capital Reserve Fund. The Capital Reserve Fund for System Development Fees.** System development fees are charges assessed on new development within the City to fund certain capital costs of the water and wastewater systems, attributable to that new development. The fee revenues are restricted to specific purposes, and by law must be accounted for in a capital reserve fund. The system development fees are restricted to the repayment of a specific debt and the construction of a sewer force main. Monies may not be spent directly from the capital project fund, rather they are withdrawn by budget ordinance.

The City reports the following nonmajor enterprise fund:

**Stormwater Fund.** This fund is used to account for the federally mandated program of stormwater system management, which is supported by a City-wide stormwater fee.

Additionally, the government reports the following fund type:

**Fiduciary Fund – The Archdale LEOSSA Trust Fund.** The Archdale LEOSSA (Law Enforcement Officers' Special Separation Allowance) Trust Fund accounts for assets held by the City in a fiduciary capacity and accumulates funds to provide pension benefit payments to qualified law enforcement officers. Since, by definition, these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. This fund uses the accrual basis of accounting and has a capital maintenance measurement focus.

*Change in Reporting Entity*

The State Capital and Infrastructure Fund was considered a major fund in the prior year. Most of the advanced grant funds have been spent on the capital projects. There are no other nonmajor governmental funds, therefore the change of classification does not have an effect on presentation of equity.

C. Measurement Focus and Basis of Accounting

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City 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.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

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 City enterprise funds are charges to customers for sales and services. The City 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/amortization 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. Issuance of general long-term debt and acquisitions under IT subscriptions are reported as other financing sources.

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

Sales taxes and certain intergovernmental revenues, such as the utilities sales tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Archdale because the tax is levied by Randolph and Guilford Counties and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the City 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 City'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 City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds, including the Water and Sewer Capital Fund and the Capital Reserve Fund. All annual appropriations lapse at the fiscal year-end. Multi-year project ordinances are adopted for Special Revenue Project Funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund and the fund level or project level for the remaining funds. All amendments must be approved by the governing board, with the exception that the City Manager may transfer amounts of up to \$10,000 between departments of the same fund with an official report on such transactions at the next regular meeting of the City Council. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

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

State law [G.S. 159-30] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The City's investments are reported at fair value.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is a SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM rating by S&P and AAAMf by Moody's Investor Service. It is reported at fair value.

General Statute 159-30.2 allows the City to establish and fund an irrevocable trust for the purpose of providing pension benefits to eligible law enforcement officers for which the City is liable. The City's Trust is managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. The Trust is not registered with the SEC. G.S. 159-30(g) allows the City to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2(b) (1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high-quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

2. Cash and Cash Equivalents

The City pools money from several funds, except the LEOSSA Trust Fund, to facilitate disbursement and investment and to maximize investment income from cash and cash equivalents. Only investments with maturities of twelve months or less at the time of purchase are classified as cash equivalents.

3. Restricted Assets

The financial statements for the enterprise funds have been consolidated to include a capital reserve fund with assets classified as restricted because their use is restricted. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Cash collected for drug forfeitures and seizures are classified as restricted assets for the General Fund because their use is completely restricted to the purpose for which the cash was received. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4. Contractor performance deposits are considered restricted because they are held until they are either returned to the contractor for fulfilling the obligation or are retained by the City. In addition, a separate police evidence bank account holds funds belonging to various individuals that require Court orders to release. State Capital and Infrastructure Fund (SCIF) grants and interest earned are restricted for the use of allowable projects.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

Restricted cash:

Governmental Activities:

General Fund

Federal asset forfeitures	\$	391,401
Streets		688,132
Refundable deposits		344,300
Property and evidence		109,529

SCIF Grants Fund		31,289
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Total governmental activities		1,564,651
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Business-Type Activities:

Water and Sewer Fund

Customer deposits		432,100
Capital reserve		154,437

Total business-type activities		586,537
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Total restricted cash	\$	2,151,188
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4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2023. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement.

Deferred inflows of resources are recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of the resources is amortized on a straight-line basis over the term of the lease.

7. Inventory and Prepaid Items

The inventories of the City's enterprise funds consist of water and sewer supply parts held for subsequent use. The cost of these inventories is expensed using a first-in, first-out method when parts are consumed rather than when purchased.

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

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

8. Intangible Assets

Intangible assets, net of amortization, of \$6,666,099 as of June 30, 2024, are recorded in the Water and Sewer proprietary fund and represent rights to raw water allocations from the joint venture agreement established in 1987 with five other governmental entities to form a regional water supply. The intangible asset is based on City contributions to the Piedmont Triad Regional Water Authority (PTRWA) for construction of the Randleman Dam and reservoir, a water treatment plant, and related infrastructure improvements. The rights have been amortized since the plant became operational in fiscal year 2011. A useful life of 50 years was assigned to the dam and reservoir, and 40 years for the water treatment plant and related infrastructure.

Intangible assets, net of amortization, of \$3,765,844 as of June 30, 2024, are recorded in the Water and Sewer proprietary fund and represent wastewater treatment rights. The City paid \$4,500,000 under a May 2000 joint-use facility agreement with the City of High Point for its share of the capacity use allocation to upgrade and expand the Eastside Wastewater Treatment Plant. This cost is being amortized over 40 years using the straight-line method. The City share of the cost to upgrade the plant in 2009 for the Odor Control project was \$525,787 and is being amortized over 20 years using the straight-line method. The City's share of an incinerator rehab project, completed in 2021, was \$2,197,656 and is also being amortized over 20 years using the straight-line method. Utility easements with a net value of \$11,544 are license fees for facility encroachments at railroad crossings for an initial term of twenty years.

Right-to-use capital assets that arise in association with agreements where the City reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 96 are recorded in the governmental and proprietary funds. The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

9. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a predetermined threshold and an estimated useful life more than two years. Minimum capitalization costs are as follows: land, \$1000; permanent utility easements, \$500; improvements, \$5,000; buildings, substations, and system lines, \$20,000; streets, sidewalks, and greenway, \$20,000; equipment and furniture, \$5,000; vehicles, \$5,000 at acquisition value. 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. Streets, sidewalks, water and sewer lines and sewer pump stations acquired from developers are valued at actual cost or engineer estimates. General infrastructure assets, consisting of road and sidewalk networks, acquired prior to July 1, 2003 are not recorded. 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.

In 2016, the City Council accepted infrastructure from developers in two subdivisions. The City adopted the modified approach to account for these streets. Based on changing conditions, City management has determined that the modified approach to account for streets is no longer appropriate. The change will be implemented prospectively as of June 30, 2024. The City accepted streets, sidewalks, and greenway constructed by a private developer of a residential neighborhood during the fiscal year ended June 30, 2024. This is another reason that led to the decision for the change in moving streets from nondepreciable assets under the modified approach to depreciable assets. The presentation of capital assets includes a new category for streets and pedestrian paths. Previously, sidewalks and greenway trails were included in other improvements. Going forward, the other improvements asset category will include playgrounds, the dog park, and athletic facilities such as tennis courts, ball fields, basketball courts, volleyball courts, as well as other similar items.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

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

Asset Class	Useful Lives
Streets and Pedestrian Paths	10-30
Buildings	15-50
Other Improvements	5-50
Vehicles and Heavy Equipment	5-15
Furniture and Equipment	5-20
Electronic Equipment and Software	3-5
Water and Sewer Infrastructure	10-50
Wastewater Treatment Rights, Water Treatment Rights and Other Intangible Assets	20-50

**10. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meet this criterion, pension, and other post-employment benefit deferrals for the 2024 fiscal year. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, prepaid cash receipts (reported only on the balance sheet of the governmental funds), leases, and deferrals of pension and other post-employment benefit deferral.

**11. 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.

**12. Compensated Absences**

The vacation policy of the City provides for the accumulation of up to twenty-two and a half days earned vacation leave with such leave being fully vested when earned. Excess vacation balances are converted to sick leave each January 1. In addition, it is the City’s policy to allow nonexempt employees to accrue compensatory leave time. For the City’s government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City'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 City does not have any obligation for the accumulated sick leave until it is taken, no accrual for sick leave has been made.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

13. Net Position/Fund Balances

Net Position

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

Restricted for System Development - North Carolina G.S. 162A, Article 8 requires all water and sewer system development fee proceeds be accounted for in a capital reserve fund and restricts the use of the funds depending on the method used to calculate upfront fees for new development. Archdale employs the buy-in method, under which the proceeds must be allocated to pay debt service on past water or wastewater projects or to pay for future capital projects.

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.

Prepaid Items - portion of fund balance that is not an available resource because it represents the year-end balance of costs applicable to future accounting periods, which are not spendable resources.

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina 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 - portion of fund balance that is restricted by revenue source for transportation purposes. Powell Bill is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for law enforcement purposes.

Restricted for Cultural and Recreation – portion of fund balance that is restricted by revenue source for cultural and recreational purposes.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

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

Assigned fund balance – portion of fund balance that City of Archdale governing board intends to use for specific purposes.

Assigned for Subsequent Year’s Expenditures – portion of fund balance that is appropriated in the adopted 2024-25 budget ordinance that is not already classified in restricted or committed. Appropriations for capital expenditures exceed the \$3,470,370 assigned amount.

Assigned for Economic Development – portion of fund balance assigned by the City Council for future economic development opportunities. The City Council’s Fund Balance Policy – General Fund sets aside \$25,000 of current year revenues for economic development.

Assigned for Cultural and recreation – portion of fund balance assigned to PARTF grant project fund for cultural and recreational purposes.

Assigned for Capital – The City Council authorized the City Manager to assign fund balance for capital expenditures when the general fund unassigned fund balance exceeds the minimum fund balance requirement. The assignment is based on the Capital Improvement Plan, which is updated at the start of the annual budget process. Funds transferred from ARPA for revenue replacement are assigned for capital.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund to report a positive unassigned fund balance. A negative unassigned fund balance may be reported for other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City of Archdale 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-city funds, city funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the City.

The Archdale City Council has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the City in such a manner that the unassigned fund balance as it is reported for the general fund on the governmental funds balance sheet is at least 50% of general operating fund expenditures. The maximum unassigned fund balance should not exceed two times the minimum fund balance level.

14. Defined Benefit Pension Plans

The City participates in one cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State: the Local Governmental Employees’ Retirement System (LGERS). The LEOSSA Plan is a single-employer trust administered by the City.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees’ Retirement System (LGERS) and additions to/deductions from LGERS’ fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Archdale’s employer contributions are recognized when due and the City of Archdale 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.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to the LEOSSA Plan and LEOSSA expense, information about the fiduciary net position of the LEOSSA Plan and additions to/deductions from LEOSSA fiduciary net position have been determined on the same basis as they are reported by LEOSSA Plan. For this purpose, the LEOSSA Plan recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts, unbilled receivables, and depreciation lives.

**II. Detail Notes on All Funds**

A. Assets

1. Deposits

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

At June 30, 2024, the City's deposits had a carrying amount of \$7,237,274 and a bank balance of \$7,642,709. Of the bank balance \$2,259,131 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2024, the City's petty cash and change funds totaled \$675. The Police Department had \$725 in police investigation funds.

2. Investments

At June 30, 2024 the City of Archdale, excluding the Archdale LEOSSA Trust, had \$25,964,255 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM rating by S&P and AAA-mf by Moody's Investor Service.

*Interest Rate Risk:* The City's formal investment policy addresses interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City will minimize this risk by structuring the investment portfolio so that securities mature to meet cash requirements and investing operating funds in shorter term securities.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

*Credit Risk:* The City's formal investment policy addresses credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions, and diversifying the investment portfolio. The City's investment in NCCMT Government portfolio carried a credit rating of AAAm by Standard and Poor's and AAA-mf by Moody's Investor Service as of June 30, 2024.

LEOSSA Trust Fund

On June 30, 2024 the City's LEOSSA Trust had \$871,294 invested in the State Treasurer's Local Government LEOSSA Trust pursuant to G.S. 159-30 (g). The State Treasurer's LEOSSA Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end the City's LEOSSA Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) [0%], which is reported as cash and cash equivalent; State Treasurer's Bond Index Fund (BIF) [26.8%] and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) [73.2%].

*Level of Fair Value Hierarchy:* Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are measured at fair value by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2024 of 1.4 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon the inflows and outflows as well as allocations of net earnings. The BIF, which does not have a credit rating, was valued at \$1 per unit, and had an average maturity of 8.38 years on June 30, 2024.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. On June 30, 2024, the fair value of funds was \$38.06557 per share. Fair value for this Blackrock fund is determined using Level 1 inputs.

*Valuation Technique:* North Carolina Department of State Treasurer LEOSSA Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

*Interest Rate Risk:* The City does not have a formal investment interest rate policy for the LEOSSA Trust Fund that manages exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.4 years on June 30, 2024. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.38 years on June 30, 2024.

*Credit Risk:* The City does not have a formal investment policy regarding credit risk for the LEOSSA Trust Fund. The State Treasurer's STIF is unrated and authorized under the G.S. 147-69.1. The STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under the G.S. 147-69.1 and G.S. 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

3. Accrued Interest Receivable

Accrued interest receivable includes \$5,109 interest on taxes and \$142,482 interest on investments in the governmental activities. The business-type activities report \$526 accrued interest receivable from leases.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

4. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position as of June 30, 2024 are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$ 10,000
Accounts receivable	3,000
Total General Fund	13,000
Enterprise Funds:	
Water and Sewer Fund - accounts receivable	21,000
Stormwater Fund - accounts receivable	1,300
Total Enterprise Fund	22,300
Total	\$ 35,300

5. Due from Other Governments

Amounts due from governmental agencies consist of the following:

	State	County	Total
Governmental Funds:			
Sales and use tax distribution	\$ 1,175,805	\$ -	\$ 1,175,805
Utility sales tax	149,638	-	149,638
Sales tax refunds	161,473	-	161,473
PARTF grant reimbursement	73,512	-	73,512
Solid waste disposal tax	2,246	-	2,246
Property tax collections	-	45,934	45,934
Expenditure reimbursement	-	2,053	2,053
Total governmental funds	\$ 1,562,674	\$ 47,987	\$ 1,610,661

6. Lease Receivable

The City leases space at and on the water tank for the placement of cellular communication and antenna equipment with one company.

On July 1, 2021, the City's Water and Sewer Fund entered into a 48-month lease agreement with AT&T for cell antenna equipment on the water tank. The initial lease receivable was \$115,344. The company is required to make fixed annual payments that increase 2% each year. The payment during the current fiscal year was \$29,926. The City recognized lease revenue of \$28,657 and interest revenue of \$553 during the fiscal year, including an adjustment from the prior year. The value of the lease receivable is \$29,985, all short-term. The lease receivable is measured at the present value of the future lease payments expected to be received during the lease terms at an estimated incremental borrowing rate of 1.8%. The lessee has four extension options, each for 60 months. The value of deferred inflow of resources as of June 30, 2024 is \$29,373.

Year Ending June 30	Business-type Activities	
	Principal	Interest
2025	\$ 29,985	\$ 526
Total	\$ 29,985	\$ 526

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

7. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,485,798	\$ 443,536	\$ 142,783	\$ 4,786,551
Construction-in-progress	289,938	1,083,109	258,558	1,114,489
Street rights-of-way	<u>3,978,645</u>	<u>-</u>	<u>-</u>	<u>3,978,645</u>
Total capital assets not being depreciated	<u>8,754,381</u>	<u>1,526,645</u>	<u>401,341</u>	<u>9,879,685</u>
Capital assets being depreciated:				
Streets and pedestrian paths	2,325,759	1,956,672	-	4,282,431
Buildings	8,941,145	-	-	8,941,145
Other improvements	2,822,656	21,401	30,713	2,813,344
Equipment, vehicles, and furniture	4,510,861	572,554	294,395	4,789,020
Computer software	274,010	-	-	274,010
Right-to-use IT subscriptions	<u>364,058</u>	<u>139,454</u>	<u>24,080</u>	<u>479,432</u>
Total capital assets being depreciated	<u>19,238,489</u>	<u>2,690,081</u>	<u>349,188</u>	<u>21,579,382</u>
Less accumulated depreciation and amortization for:				
Streets and pedestrian paths	1,005,303	194,424	-	1,199,727
Buildings	3,222,136	200,370	-	3,422,506
Land improvements	1,153,831	191,751	30,713	1,314,869
Equipment, vehicles, and furniture	2,831,489	480,475	284,623	3,027,341
Computer software	184,855	23,679	-	208,534
Right-to-use IT subscriptions	<u>57,327</u>	<u>111,653</u>	<u>8,015</u>	<u>160,965</u>
Total accumulated depreciation and amortization	<u>8,454,941</u>	<u>\$ 1,202,352</u>	<u>\$ 323,351</u>	<u>9,333,942</u>
Total capital assets being depreciated, net	<u>10,783,548</u>			<u>12,245,440</u>
Governmental activities capital assets, net	<u>\$ 19,537,929</u>			<u>\$ 22,125,125</u>

Beginning asset values have been adjusted to reflect the creation of the streets and pedestrian paths category of capital assets being depreciated.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

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

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General government	\$ 176,246	\$ 75,730	\$ 251,976
Public safety	322,010	35,923	357,933
Transportation	196,133	-	196,133
Culture and recreation	396,310	-	396,310
	<u>\$ 1,090,699</u>	<u>\$ 111,653</u>	<u>\$ 1,202,352</u>

Construction commitments:

The City has one commitment for \$57,489 for construction of an equipment shelter at the Public Works Facility as of June 30, 2024.

*Capital asset activity for the business-type activities for the year ended June 30, 2024, was as follows:*

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Business-type activities:				
Water and Sewer Fund:				
Capital assets non-depreciable:				
Land	\$ 307,396	\$ -	\$ -	\$ 307,396
Easement Rights	94,179	-	-	94,179
Construction-in-progress	-	-	-	-
Total capital assets non-depreciable	<u>401,575</u>	<u>-</u>	<u>-</u>	<u>401,575</u>
Capital assets, depreciable/amortizable:				
Water distribution system	7,087,207	-	-	7,087,207
Sewer distribution system	20,115,477	909,386	-	21,024,863
Other Improvements	15,357	-	-	15,357
Equipment and vehicles	3,332,120	123,804	34,050	3,421,874
Computer software	37,600	-	-	37,600
Water rights	9,572,917	-	-	9,572,917
Wastewater treatment rights	7,223,443	-	-	7,223,443
Right-to-use IT subscription	111,956	8,642	-	120,598
Utility easement rights	18,551	-	-	18,551
Total capital assets, depreciable/amortizable	<u>47,514,628</u>	<u>1,041,832</u>	<u>34,050</u>	<u>48,522,410</u>
Less accumulated depreciation/amortization for:				
Water distribution system	4,582,615	150,765	-	4,733,380
Sewer collection system	11,070,571	435,559	-	11,506,130
Other Improvements	4,272	1,024	-	5,296
Equipment and vehicles	1,621,423	242,404	34,050	1,829,777
Computer software	22,539	7,520	-	30,059
Water rights	2,689,514	217,304	-	2,906,818
Wastewater treatment rights	3,208,927	248,672	-	3,457,599
Right-to-use IT subscription	16,859	31,830	-	48,689
Utility easement rights	6,079	928	-	7,007
Total accumulated depreciation/amortization	<u>23,222,799</u>	<u>1,336,006</u>	<u>34,050</u>	<u>24,524,755</u>
Total capital assets depreciable, net	<u>24,291,829</u>			<u>23,997,655</u>
Water and Sewer Fund capital assets, net	<u>24,693,404</u>			<u>24,399,230</u>

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

	Beginning Balances	Increases	Decreases	Ending Balances
Stormwater Fund:				
Capital assets being depreciated:				
Other improvements	10,080	-	-	10,080
Equipment	905,248	199,671	70,000	1,104,919
Right-to-use IT subscriptions	20,365	2,708	-	23,073
Total capital assets being depreciated	935,693	202,379	70,000	1,138,072
Less accumulated depreciation for:				
Other improvements	2,688	672	-	3,360
Equipment	700,467	99,244	70,000	799,711
Right-to-use IT subscriptions	1,172	6,306	-	7,478
Total accumulated depreciation	704,327	106,222	70,000	810,549
Stormwater Fund capital assets, net	231,366			327,523
Business-type activity capital assets, net	\$ 24,924,770			\$ 24,726,753

Depreciation/amortization expense was charged in the enterprise funds as follows:

	Depreciation	Amortization	Total
Water and Sewer Fund	\$ 837,272	\$ 498,734	\$ 1,336,006
Stormwater Fund	99,916	6,306	106,222
	\$ 937,188	\$ 505,040	\$ 1,442,228

**B. Liabilities**

**1. Payables**

Payables at the government-wide level as of June 30, 2024, were as follows:

	Vendors	Other	Total
Governmental activities:			
General	\$ 454,265	\$ 184,643	\$ 638,908
Business-type activities:			
Water and Sewer	\$ 123,785	\$ 20,892	\$ 144,677
Stormwater	2,819	7,757	10,576
Total - business-type activities	\$ 126,604	\$ 28,649	\$ 155,253

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

**2. Pension Plan and Postemployment Obligations**

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

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

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (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. City of Archdale employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Archdale's contractually required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.93% (including .08% death benefit) 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 City of Archdale were \$544,491 for the year ended June 30, 2024.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

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

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

At June 30, 2024, the City reported a liability of \$3,211,667 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the City’s proportion was 0.04849%, which was a decrease of 0.00524% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$853,431. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 357,875	\$ 7,704
Changes of assumptions	136,477	-
Net difference between projected and actual earnings on pension plan investments	859,583	-
Changes in proportion and differences between City contributions and proportionate share of contributions	55,127	191,375
City contributions subsequent to measurement date	544,491	-
Total	\$ 1,953,553	\$ 199,079

\$544,491 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2025	\$ 434,130
2026	215,656
2027	523,849
2028	36,348
2029	-
Thereafter	-
Total	\$ 1,209,983

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

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

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the General Mortality Table for Retirees 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 and methods used in the December 31, 2022 actuarial valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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 returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 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%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

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

	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
City's proportionate share of the net pension liability (asset)	\$ 5,564,087	\$ 3,211,667	\$ 1,274,935

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

**b. Law Enforcement Officers Special Separation Allowance**

*Plan Description.* The City of Archdale administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the City’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The law enforcement officer must have completed a minimum of 5 years of continuous service as a law enforcement officer immediately preceding retirement. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the North Carolina General Assembly Article 12D of G.S. A separate report was not issued for the Plan.

Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Inactive members receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	26
Total	31

Management of the Archdale LEOSSA Trust is vested in two trustees, the City Manager, and the Finance Director, appointed by City Council.

The Separation Allowance has a June 30, 2024 year end and does not issue a separate stand-alone financial report and is included in the City’s Annual Comprehensive Financial Report as the Archdale LEOSSA (Pension Benefit) Trust Fund.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

*Summary of Significant Accounting Policies*

*Basis of Accounting.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about fiduciary net position of the Separation Allowance and additions to/deductions from the Separation Allowance's fiduciary net position have been determined on the same basis as they are reported by the Archdale LEOSA Trust Fund, that is using the full accrual basis of accounting. Employer contributions to the Separation Allowance are recognized on the full accrual basis of accounting when due and when the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the Separation Allowance. Investments are reported at fair value.

*Contributions.* The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget and to also advance the fund amounts as available. Contributions are not required to be made by employees, and as such, there were none. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The actuarially determined contribution rate of \$111,154 for fiscal year 2024 is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City made contributions of \$137,985, including \$103,985 needed to cover benefit payments and an additional \$34,000 in fiscal year 2024. These amounts represent 7.31% and 9.08% of covered payroll, respectively. Administrative costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2021 actuarial valuation using the entry age normal actuarial cost method, amortized over a level dollar closed period. The actuarial assumptions include (a) 5.50% investment rate of return, net of pension plan investment expense and (b) projected salary increase of 3.25% - 7.75%. Both (a) and (b) included an inflation component if 2.50%. The actuarial value of assets was determined using the market value of investments. The remaining amortization period as of December 31, 2021 was 9 years.

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

At June 30, 2024, the City reported a total pension liability of \$1,335,319. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing standard actuarial update roll forward procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the City recognized pension expense of \$95,277.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources, based on amounts computed as of the December 31, 2023 measurement date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 163,940	\$ 9,670
Changes of assumptions and other inputs	53,473	22,442
Net difference between projected and actual earnings on plan investments	7,353	-
Benefit payments and administrative expenses subsequent to measurement date	51,092	-
Total	\$ 275,858	\$ 32,112

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

\$51,092 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a decrease of the total pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount Recognized as Increase (Decrease) to Pension Expense
2025	\$ 84,012	\$ 28,011	\$ 56,001
2026	71,824	3,025	68,799
2027	51,836	3,025	48,811
2028	26,463	15,876	10,587
2029	8,456	-	8,456
Thereafter	-	-	-
	\$ 242,591	\$ 49,937	\$ 192,654

*Actuarial Assumptions.* The Entry Age Normal Actuarial Cost Method was used in the December 31, 2022 valuation. The total pension liability rolled forward to December 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent per annum
Salary increases	3.25 to 7.75 percent, average, including inflation and real wage growth of .75%
Interest rate	5.5 percent per annum, compounded annually

The plan currently uses mortality tables that vary by age and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. All mortality rates use Pub-2010 amount-weighted tables. All mortality rates are projected from 2010 using generational improvement with Scale MP-2019. The rates of mortality for the period before service retirement are based on the Pub-2010 Safety Mortality Table for Employees.

The rates of mortality for the period after service retirement (healthy) are according to the Pub-2010 Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Mortality rates for deaths after retirement (disabled) are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back three years for all ages.

Mortality rates for deaths after retirement (beneficiary) are based on Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward three years. Rates for female members are Set Forward one year. Because the contingent survivor tables have no rates prior to the age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Leave Conversion: Eligibility service for unreduced retirement has been increased by one year. Credited service for benefit calculation purposed has been increased by 1.1 years. The service conversions are based on the service totals received from the Local Governmental Employees' Retirement System.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019. The following assumptions were updated: mortality rate, salary increase rates, service retirement rates, disability retirement rates, termination rates, real wage growth and leave conversion service.

*Investment Policy and Long-Term Expected Rate of Return.* The Archdale LEOSSA Trust investment policy, adopted by the City Council in May 2019, allows for investment in instruments authorized by G.S. 159-30 as well as investments in the Ancillary Governmental Participant Investment Program established and managed by the Department of State Treasurer's Office, as per G.S.159-30. Placement of the City contributions are at the discretion of the Trustees, as is the allocation of assets within the fund. The current target allocation is Equity Index Fund 70% and Bond Index Fund 30%.

The long-term expected rate of return on pension plan investments is assumed to be 5.5% annually.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset provided by the City is summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Equity Index Fund	70.00%	8.74%	6.24%
Bond Index Fund	30.00%	1.88%	-0.62%

For the year ended June 30, 2024, the annual money-weighted rate of return on Separation Allowance investments, net of investment expense, was 14.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Investments are valued at fair value.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data. Best estimate ranges of expected future real rates of return are developed for each major assets class. The long-term nominal rates of return underlying the real rates of return are 10-year geometric compounded annualized figures. The real rates of return are calculated from the nominal rates by multiplicatively adjusting for a long-term inflation assumption of 2.5%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2023 (measurement date) was 5.50%. The discount rate determination as of the measurement date does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that the City would contribute the actuarially determined contribution in the future, or the actual benefit payments. 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 through 2057. 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 City's Total Pension Liability to Changes in the Discount Rate.* The following presents the City's net pension liability calculated using the discount rate of 5.50 percent, as well as what the City's share of net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.50 percent) or one percentage point higher (6.50 percent) than the current rate:

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
Net Pension Liability	\$ 634,611	\$ 528,000	\$ 431,240

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

*Changes in the Net Pension Liability as of June 30, 2024 were as follows:*

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Net pension liability as of December 31, 2022	\$ 1,264,922	\$ 657,471	\$ 607,451
Changes for the year:			
Service cost	34,952	-	34,952
Interest	66,881	-	66,881
Difference between expected and actual experience	66,381	-	66,381
Changes in assumptions and other inputs	-	-	-
Contributions - employer	-	131,817	(131,817)
Net investment income	-	115,848	(115,848)
Benefit payments	(97,817)	(97,817)	-
Net changes	<u>70,397</u>	<u>149,848</u>	<u>(79,451)</u>
Net pension liability as of December 31, 2023	<u>\$ 1,335,319</u>	<u>\$ 807,319</u>	<u>\$ 528,000</u>

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 853,430	\$ 95,277	\$ 948,707
Pension Liability	3,211,667	528,000	3,739,667
Proportionate share of the net pension liability	0.04849%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 357,875	\$ 163,940	\$ 521,815
Changes of assumptions	136,477	53,473	189,950
Net difference between projected and actual earnings on pension plan investments	859,583	7,353	866,936
Changes in proportion and differences between City contributions and proportionate share of contributions	55,127	-	55,127
Benefit payments and administrative costs paid subsequent to the measurement date	544,491	51,092	595,583
	<u>\$ 1,953,553</u>	<u>\$ 275,858</u>	<u>\$ 2,229,411</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 7,704	\$ 9,670	\$ 17,374
Changes of assumptions	-	22,442	22,442
Changes in proportion and differences between City contributions and proportionate share of contributions	191,375	-	191,375
	<u>\$ 199,079</u>	<u>\$ 32,112</u>	<u>\$ 231,191</u>

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

c. Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description.* The City 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 City. 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 (ACFR) for the State of North Carolina. The State’s ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan 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 City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$124,072, which consisted of \$76,393 from the City and \$47,679 from the law enforcement officers.

The City elected to match general employee contributions to the Supplemental Retirement Plan up to 5% of salary for the year ended June 30, 2024. Employees not engaged in law enforcement made voluntary contributions of \$156,527 and the City contributions were \$103,674. In addition, employees made voluntary contributions of \$18,300 to the State of North Carolina 457 Plan.

d. Other Postemployment Benefit

Healthcare Benefits

*Plan Description.* Under the terms of a City resolution, the City administers a single employer defined benefit Healthcare Benefits Plan (the HCB Plan). The City Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided.* Employees who retire under the provisions of the North Carolina Local Governmental Employees' Retirement System (System) with at least 20 years of creditable service with the City and are at least 50 years of age at the time of retirement, are eligible to participate in the City’s Group Health Insurance Plan. Lateral transfer employees may also participate if they retire under the provisions of NCLGERS with at least thirty years of local government service and have at least ten or more years of service with the City of Archdale and are at least age 50 at the time of retirement. Retirees pay the full cost of coverage for employees’ benefits through private insurers at the City’s group rate. Eligibility ends when the retiree qualifies for Medicare. Dependents and/or family members of the retiree are not eligible to participate. The City Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following on June 30, 2023, the date of the latest actuarial valuation:

Retirees receiving benefits	0	
Active plan members	68	
Total	68	68

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

**Total OPEB Liability**

The City's total OPEB liability of \$224,821 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Wage inflation	3.25 percent
Salary increases, general employees	3.3 to 8.3 percent, including wage inflation
Salary increase, law enforcement officers	3.3 to 7.8 percent, including wage inflation
Discount rate	
Prior measurement date	3.69 percent
Measurement date	3.86 percent
Healthcare cost trend rates	
Pre-Medicare medical and prescription drug	7.00 percent for 2024; 6.50 percent for 2025; decreasing to an ultimate rate of 4.75 percent by 2030

Pursuant to GASB 75, for unfunded plans the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale.). The Fidelity GO AA Bond index is often cited as an appropriate benchmark. The 20-year bond rate for that index was 3.86% on June 30, 2023. A discount rate of 3.69% was used at the prior measurement date.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2023	\$ 232,145
Changes for the year:	
Service cost at end of year	11,814
Interest on total OPEB liability and cash flows	8,478
Difference between expected and actual experience	(19,714)
Change in assumptions	(3,143)
Benefit payments and implicit subsidy credit	(4,759)
Net changes	(7,324)
Balance at June 30, 2024	\$ 224,821

Census data changes and premiums increasing less than expected contributed to and experience inflow. Changes in assumptions resulted in a net inflow. The discount rate was changed from 3.69% to 3.86%, which resulted in an inflow due to assumption changes. The medical trend was updated, resulting in an outflow.

Mortality rates were based on the PUB-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increase used in the June 30, 2023 valuation are based on the NCLGERS experience study for the five-year period January 1, 2015 through December 31, 2019. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86 percent) or one percentage point higher (4.86 percent) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>2.86%</u>	<u>3.86%</u>	<u>4.86%</u>
Total OPEB Liability	<u>\$ 254,872</u>	<u>\$ 224,821</u>	<u>\$ 198,014</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* Pre-Medicare health care cost trends are 7.0% for 2024, decreasing to an ultimate rate of 4.75% by 2030. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost rates:

	1% Decrease	Current	1% Increase
Total OPEB Liability	<u>\$ 190,854</u>	<u>\$ 224,821</u>	<u>\$ 265,473</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the City recognized OPEB expense of -\$1,126. On June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	<u>\$ 2,579</u>	<u>\$ (21,521)</u>
Changes of assumptions and other inputs	<u>39,673</u>	<u>(166,025)</u>
Total	<u>\$ 42,252</u>	<u>\$ (187,546)</u>

No benefit payments or administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in expense as follows:

Measurement Period ending June 30:	
2025	\$ (21,418)
2026	(21,418)
2027	(21,418)
2028	(19,080)
2029	(17,683)
Thereafter	<u>(44,277)</u>
	<u>\$ (145,294)</u>

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

**3. Other Employment Benefits**

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

The City also provides group-term life insurance, which is equal to each employee's annual salary up to \$50,000. As part of this benefit, each employee also receives accidental death and dismemberment coverage, which is again equal to annual salary up to \$50,000. The cost of benefits exceeding \$50,000 is taxable to the employee as a fringe benefit.

**C. Deferred Outflows and Inflows of Resources**

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

Source	Amount
Contributions to pension plan in current fiscal year	\$ 544,491
Benefit payments, contributions, and administrative expenses subsequent to measurement date (LEOSSA)	51,092
Differences between expected and actual experience	524,394
Change of assumptions	229,623
Changes in proportion and differences between employer contributions and proportionate share of contributions	55,127
Net difference between projected and actual earning on pension plan investments	866,936
	\$ 2,271,663

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

	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid revenue (General Fund)	\$ 6,600	\$ 6,600
Property taxes receivable (General Fund)	-	44,794
Leases	29,373	-
Difference between expected and actual experience	38,895	-
Changes of assumptions and other inputs	188,467	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	191,375	-
	\$ 454,710	\$ 51,394

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

**D. Risk Management**

The City 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 City carries commercial insurance coverage which provides for the following types of major coverage for the amounts of retained risk noted: general liability (\$2,000,000), comprehensive law enforcement liability (\$2,000,000), auto liability coverage (\$1,000,000) and commercial excess liability (\$2,000,000), employment practices (\$2,000,000), public officials' liability (\$2,000,000), and employee health coverage with an unlimited lifetime limit. The City also carries workers' compensation coverage of up to \$1,000,000. 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 years.

The City carries flood insurance coverage up to a limit of coverage of \$1,000,000 with a \$50,000 deductible per covered location; the annual aggregate is \$1,000,000.

In accordance with N.C.G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Director is individually bonded for \$1,000,000, per SL 2022-563 modification to N.C.G.S. 159-29. The Financial Services Manager is individually bonded for \$250,000. The remaining employees that have access to funds are bonded under a \$250,000 blanket bond.

**E. Claims, Judgments and Contingent Liabilities**

There are multiple litigation issues outstanding for the City. Management intends to vigorously defend against these suits, and it is the opinion of the City's attorney and the City's management that the likelihood of material losses from the suits is remote.

**F. Commitments**

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances as of June 30, 2024 in the general fund are \$579,039. The majority of these are for equipment maintenance agreement, audio visual upgrade project, construction of an equipment shelter, professional services, and economic development agreements. Commitments for outstanding purchase orders in the Water and Sewer fund total \$393,441 for professional services and supplies. The Stormwater fund has one open purchase order for office chairs in the amount of \$906.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

G. Long-Term Obligations

1. Governmental Activities – General Fund – Debt and Commitments

Direct Borrowings

Note Payable:

\$52,440 contract dated October 2021, payable to Motorola, principal payable in 5 annual installments of \$10,488. Motorola reduced the FY24 payment and the future payments to \$10,484. Payments to be made with General Fund revenues. The cameras and related equipment are pledged as collateral for the debt.	\$ 20,976
\$54,765 contract dated August 2022, payable to Motorola, principal payable in 5 annual installments of \$10,953. Payments to be made with General Fund revenues. The cameras and related equipment are pledged as collateral for the debt.	32,859
\$30,425 contract dated November 2023, payable to Motorola, principal payable in 5 annual installments of \$6,085. Payments to be made with General Fund revenues. The cameras and related equipment are pledged as collateral for the debt.	<u>24,340</u>
Total	<u>78,175</u>
Less current portion	<u>27,526</u>
Total long-term note payable	<u><u>\$ 50,649</u></u>

Governmental Activities	
Year Ending June 30	Principal
2025	\$ 27,526
2026	27,526
2027	17,038
2028	<u>6,085</u>
Total	<u><u>\$ 78,175</u></u>

Cancellation of the overall agreement with Motorola requires the equipment debt to be paid in full or be subjected to legal action.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

2. Business Type Activities – Enterprise Fund – Water and Sewer Fund – Debt and Commitments

Serviced by the Water and Sewer Fund:

Direct Borrowings:

Interlocal Agreements:

\$2,170,910 agreement with Piedmont Triad Regional Water Authority, principal and interest payable in 14 semi-annual installments of \$166,109 with interest payable at 1.7339%.	\$ 1,432,193
\$525,787 inter-local agreement with the City of High Point, principal and interest payable in 240 monthly installments of \$2,191 each, includes interest at .21%.	135,828
\$2,197,656 inter-local agreement with the City of High Point, principal and interest payable in 240 monthly installments of 11,817.5 each, includes interest at 2.66%	1,907,461
\$184,565 agreement with Davidson Water, principal and interest payable in 240 monthly installments of \$1,070 each, includes interest at 3.50%.	72,867
Total interlocal agreements	3,548,349
Less current portion	437,660
Total long-term interlocal agreements	\$ 3,110,689

Year Ending June 30	Business-type Activities	
	Principal	Interest
2025	\$ 437,660	\$ 76,818
2026	445,891	68,588
2027	454,295	60,184
2028	462,874	51,605
2029	305,530	42,838
2030-2034	576,658	154,119
2035-2039	634,504	74,546
2040-2041	230,937	5,413
Total	\$ 3,548,349	\$ 534,111

Borrowing under interlocal agreements is part of larger contractual agreements with partners to provide water and sewer treatment services for utility customers. In the unlikely event of default, the ability to provide services would be at risk.

On June 30, 2024, the City of Archdale governmental funds had a legal debt limit of \$123,703,252 and a legal debt margin of \$119,741,805.

3. Liabilities for Subscription Assets

On 07/01/2022, The City entered into a 46-month subscription for the use of Motorola - WatchGuard Phase 1. An initial subscription liability was recorded in the amount of \$33,118. As of 06/30/2024, the value of the subscription liability is \$11,280. The City is required to make annual fixed payments of \$11,556. The subscription has an interest rate of 2.4453%. The value of the right to use asset as of 06/30/2024 is \$33,118 with accumulated amortization of \$16,984.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

On 07/01/2022, The City entered into a 36-month subscription for the use of SHI-Adobe Acrobat Pro DC. An initial subscription liability was recorded in the amount of \$11,720. This agreement has been modified. As of 06/30/2024, the value of the subscription liability is \$2,277. The City is required to make annual fixed payments of \$2,319. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of 06/30/2024 is \$8,454 with accumulated amortization of \$7,226. The City has 2 extension option(s), each for 12 months.

On 07/01/2022, The City entered into a 36-month subscription for the use of SBI - DCIN Terminal. An initial subscription liability was recorded in the amount of \$14,883. As of 06/30/2024, the value of the subscription liability is \$5,006. The City is required to make semi-annual fixed payments of \$2,538. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of 06/30/2024 is \$14,883 with accumulated amortization of \$9,922. The City has 4 extension option(s), each for 6 months.

On 07/14/2022, The City entered into a 36-month subscription for the use of ESRI - ArcGIS. An initial subscription liability was recorded in the amount of \$13,893. As of 06/30/2024, the value of the subscription liability is \$5,756. The City is required to make annual fixed payments of \$5,862. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of 06/30/2024 is \$16,334 with accumulated amortization of \$10,268. The City has 2 extension option(s), each for 12 months.

On 08/01/2022, The City entered into a 72-month subscription for the use of Axon - Input-Ace Dongle License. An initial subscription liability was recorded in the amount of \$16,333. As of 06/30/2024, the value of the subscription liability is \$11,465. The City is required to make annual fixed payments of \$2,848. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of 06/30/2024 is \$17,313 with accumulated amortization of \$5,397. The City has 5 extension option(s), each for 12 months.

On 08/05/2022, The City entered into a 36-month subscription for the use of SHI - Sophos XDR Malware Protection. An initial subscription liability was recorded in the amount of \$18,516. As of 06/30/2024, the value of the subscription liability is \$6,663. The City is required to make annual fixed payments of \$6,286. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of 06/30/2024 is \$20,684 with accumulated amortization of \$12,915. The City has 2 extension option(s), each for 12 months.

On 08/20/2022, The City entered into a 36-month subscription for the use of SHI - KnowBe4 & Cisco Umbrella. An initial subscription liability was recorded in the amount of \$13,995. As of 06/30/2024, the value of the subscription liability is \$5,129. The City is required to make annual fixed payments of \$4,751. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of 06/30/2024 is \$15,104 with accumulated amortization of \$9,170. The City has 2 extension option(s), each for 12 months.

On 12/14/2022, The City entered into a 36-month subscription for the use of Cellebrite - UFED Subscription. An initial subscription liability was recorded in the amount of \$12,498. As of 06/30/2024, the value of the subscription liability is \$0. The City terminated this subscription. The value of the asset deletion was \$12,498 less accumulated amortization of \$4,160. The subscription liability was \$8,198 and the City recorded a loss on termination of \$140.

On 12/16/2022, The City entered into a 36-month subscription for the use of SolarWinds Software. An initial subscription liability was recorded in the amount of \$11,582. As of 06/30/2024, the value of the subscription liability is \$0. The City terminated this subscription. The value of the asset deletion was \$11,582 less accumulated amortization of \$3,855. The subscription liability was \$7,597 and the City recorded a loss on termination of \$130.

On 12/18/2022, The City entered into a 36-month subscription for the use of Ferguson Subscription. An initial subscription liability was recorded in the amount of \$60,454. As of 06/30/2024, the value of the subscription liability is \$21,038. The City is required to make annual fixed payments of \$20,800. The subscription has an interest rate of 3.2540%. The value of the right to use asset as of 06/30/2024 is \$63,561 with accumulated amortization of \$31,765. The City has 2 extension option(s), each for 12 months.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

On 01/01/2023, The City entered into a 72-month subscription for the use of MCSJ Application Software. An initial subscription liability was recorded in the amount of \$101,248. As of 06/30/2024, the value of the subscription liability is \$73,143. The City is required to make annual fixed payments of \$18,148. The subscription has an interest rate of 3.0043%. The value of the right to use asset as of 06/30/2024 is \$110,971 with accumulated amortization of \$26,284. The City has 5 extension option(s), each for 12 months.

On 02/01/2023, The City entered into a 48-month subscription for the use of LiftOff - Office 365 G3. An initial subscription liability was recorded in the amount of \$113,681. As of 06/30/2024, the value of the subscription liability is \$64,162. The City is required to make annual fixed payments of \$29,352. The subscription has an interest rate of 2.1937%. The value of the right to use asset as of 06/30/2024 is \$126,654 with accumulated amortization of \$42,064. The City has 3 extension option(s), each for 12 months.

On 02/14/2023, The City entered into a 60-month subscription for the use of Motorola - WatchGuard Phase 2. An initial subscription liability was recorded in the amount of \$46,269. As of 06/30/2024, the value of the subscription liability is \$27,740. The City is required to make annual fixed payments of \$9,891. The subscription has an interest rate of 3.4450%. The value of the right to use asset as of 06/30/2024 is \$46,269 with accumulated amortization of \$12,775.

On 02/14/2023, The City entered into a 36-month subscription for the use of SHI - Netmotion Platform. An initial subscription liability was recorded in the amount of \$11,054. As of 06/30/2024 the value of the subscription liability is \$3,861. The City is required to make annual fixed payments of \$3,794. The subscription has an interest rate of 3.0043%. The value of the right to use asset as of 06/30/2024 is \$11,632 with accumulated amortization of \$5,201. The City has 2 extension option(s), each for 12 months.

On 05/06/2023, The City entered into a 36-month subscription for the use of CivicPlus - SeeClickFix Licenses. An initial subscription liability was recorded in the amount of \$16,185. As of 06/30/2024, the value of the subscription liability is \$6,419. The City is required to make annual fixed payments of \$5,513. The subscription has an interest rate of 2.1937%. The value of the right to use asset as is 06/30/2024 is \$18,491, with accumulated amortization of \$6,393. The City has 2 extension option(s), each for 12 months.

On 10/02/2023, The City entered into a 36-month subscription for the use of TEGO - Cloud Disaster Recovery Service 2. An initial subscription liability was recorded in the amount of \$49,911. As of 06/30/2024 the value of the subscription liability is \$38,978. The City is required to make monthly fixed payments of \$1,505. The subscription has an interest rate of 3.5910%. The value of the right to use asset as of 06/30/2024 is \$49,911 with accumulated amortization of \$12,432.

On 12/31/2023, The City entered into a 36-month subscription for the use of DebtBook Platform. An initial subscription liability was recorded in the amount of \$31,738. As of 06/30/2024, the value of the subscription liability is \$21,922. The City is required to make annual fixed payments of \$10,000. The subscription has an interest rate of 3.5910%. The value of the right to use asset as of 06/30/2024 is \$31,738 with accumulated amortization of \$5,466.

On 02/15/2024, The City entered into a 60-month subscription for the use of Motorola - WatchGuard Phase 3. An initial subscription liability was recorded in the amount of \$37,986. As of 06/30/2024, the value of the subscription liability is \$30,084. The City is required to make annual fixed payments of \$7,955. The subscription has an interest rate of 2.2820%. The value of the right to use asset as of 06/30/2024 is \$37,986 with accumulated amortization of \$2,870.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

Debt service for subscription assets:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 124,047	\$ 6,968	\$ 38,862	\$ 1,930
2026	90,507	3,836	8,585	797
2027	34,251	1,407	8,843	539
2028	20,719	532	9,109	274
Total	<u>\$ 269,524</u>	<u>\$ 12,743</u>	<u>\$ 65,399</u>	<u>\$ 3,540</u>

4. Changes in Long-Term Liabilities Compensated absences have typically been liquidated in the general fund, water and sewer fund, and the stormwater fund. Liquidation of compensated absences is accounted for on a FIFO basis, assuming the employees are using accumulated leave time.

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
<b>Governmental activities:</b>					
Compensated absences	\$ 260,445	\$ 183,802	\$ 195,237	\$ 249,010	\$ 200,000
Direct borrowing - note payable	75,276	30,425	27,526	78,175	27,526
IT subscription liabilities	266,559	139,454	136,489	269,524	124,047
Net pension liability (LGERS)	2,520,331	150,106	-	2,670,437	-
Net pension liability (LEO)	607,451	-	79,451	528,000	-
Total OPEB liability	193,029	-	6,090	186,939	6,000
Governmental activity long-term liabilities	<u>\$ 3,923,091</u>	<u>\$ 503,787</u>	<u>\$ 444,793</u>	<u>\$ 3,982,085</u>	<u>\$ 357,573</u>

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
<b>Business-type activities:</b>					
<u>Water and Sewer Fund</u>					
Compensated absences	\$ 22,654	\$ 21,198	\$ 18,161	\$ 25,691	\$ 19,000
Agreements from direct borrowings	3,977,949	-	429,600	3,548,349	437,660
IT subscription liabilities	80,737	8,642	33,419	55,960	31,721
Net pension liability (LGERS)	354,280	21,100	-	375,380	-
Total OPEB liability	27,137	-	856	26,281	900
Water and Sewer Fund long-term liabilities	<u>4,462,757</u>	<u>50,940</u>	<u>482,036</u>	<u>4,031,661</u>	<u>489,281</u>
<u>Stormwater Fund</u>					
Compensated absences	8,586	6,051	4,501	10,136	5,000
IT subscription liabilities	14,104	2,708	7,373	9,439	7,141
Net pension liability (LGERS)	156,528	9,322	-	165,850	-
Total OPEB liability	11,979	-	378	11,601	400
Stormwater Fund long-term liabilities	<u>191,197</u>	<u>18,081</u>	<u>12,252</u>	<u>197,026</u>	<u>12,541</u>
Business-type activity long-term liabilities	<u>\$ 4,653,954</u>	<u>\$ 69,021</u>	<u>\$ 494,288</u>	<u>\$ 4,228,687</u>	<u>\$ 501,822</u>

Net pension liability, total pension liability, and total other postemployment benefit obligation have been liquidated in the general fund, the water and sewer fund, and the stormwater fund.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

**H. Interfund Balances and Activity**

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. In fiscal year 2024, the City transferred \$1,600,000 from the general fund to the PARTF projects fund for the City's share of the project budget, including matching funds required by the grant agreement. A \$114,760 transfer was made from the PARTF projects fund for reimbursement of grant eligible expenditures incurred in the General Fund. The water and sewer fund transferred \$835,000 to the water and sewer capital fund for budgeted projects.

Balances due to/from other funds at June 30, 2024, consist of the following:

Due to the General Fund from the PARTF Fund for reimbursement of land purchases of \$114,760 incurred during the fiscal year ended June 30, 2023. The land was purchased for development of a new park prior to the award of the PARTF grant. The City had a waiver indicating the land would be an allowable expense under the PARTF project fund if the grant was awarded. The PARTF project fund includes a receivable from PARTF for one half of the cost of the land.

**I. Net Investment in Capital Assets**

	Governmental Activities	Business-type Activities
Total capital assets	\$ 22,125,125	\$ 24,726,753
Outstanding principal for debt expended on capital assets:		
Agreements from direct borrowings	\$ 78,175	\$ 3,548,349
IT subscription liabilities	\$ 269,524	347,699
Other capital related liabilities at year-end	-	-
Net investment in capital assets	\$ 21,777,426	\$ 21,113,005

**J. Fund Balance**

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

<u>Total fund balance - General Fund</u>	<u>\$ 19,412,311</u>
Less:	
Prepays	15,737
Stabilization by State Statute	2,403,323
Streets - Powell Bill	688,132
Public safety	390,611
Subsequent year's expenditures	3,470,370
Economic development	695,484
Capital	6,121,900
Remaining fund balance	5,626,754

The Archdale City Council has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that available fund balance is at least equal to or greater than 50% of general operating expenditures, as defined in the policy. As of June 30, 2024, this minimum amount is \$4,199,312. The fund balance policy specifies that \$25,000 will be added to the assignment for economic development each year. It further approves an assignment for capital outlays in variable amounts related to the Capital Improvement Plan at the discretion of the City Manager.

As of June 30, 2024, encumbrances totaled \$579,039 in the general fund, and \$168,616 in the PARTF project fund for planning and construction management services.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2024**

**III. Jointly Governed Organization**

The City, in conjunction with twelve counties and sixty other municipalities established the Piedmont Triad Regional Council (PTRC). The participating governments established the PTRC to coordinate various funding received from federal and State agencies. Each participating government appoints an elected official to the Council's Board of Delegates. The City paid membership fees of \$2,526 to the Council during the fiscal year ended June 30, 2024.

**IV. Joint Ventures**

The City, in conjunction with five other governments has entered into a joint governmental agreement with the Piedmont Triad Regional Water Authority (PTRWA). The Authority was established to develop a regional water supply, whereby each participant contributes funds to acquire land, develop a reservoir, and construct a dam, water treatment plant and distribution lines. The PTRWA Board is composed of ten members, one of which is appointed by the Archdale City Council. The participating governments are legally obligated under the 1987 intergovernmental agreement that created the PTRWA to contribute a pre-determined share of construction costs. According to the joint intergovernmental agreement, the participating governments do not have an equity interest in the joint venture, but rather rights to water in the reservoir. The governments have the right to purchase future treated water based upon their pre-determined share, according to a uniform rate structure to be set by the PTRWA. The City of Archdale funding share is 5.1%, based on the percentage of future water allocations. The City's treated water allocation is 1.559MGD. The City paid membership dues, including debt service, of \$424,490; water purchases of \$413,151; and lab fees of \$4,910 for the 2024 fiscal year. Complete financial statements for the PTRWA can be obtained from the Authority's administrative offices at 7297 Adams Farm Road, Randleman, North Carolina 27317.

**V. Summary Disclosure of Significant Contingencies**

**Federal and State Assisted Programs**

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



REQUIRED SUPPLEMENTARY FINANCIAL DATA



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

**Local Governmental Employees' Retirement System**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Archdale's proportion of the net pension liability (asset) (%)	0.04849%	0.05373%	0.04888%	0.05277%	0.05233%
Archdale's proportion of the net pension liability (asset) (\$)	\$ 3,211,667	\$ 3,031,139	\$ 749,622	\$ 1,885,697	\$ 1,429,091
Archdale's covered payroll	\$ 3,689,558	\$ 3,839,012	\$ 3,382,307	\$ 3,281,424	\$ 3,105,538
Archdale's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	87.05%	78.96%	22.16%	57.47%	46.02%
Plan fiduciary net position as a percentage of the total pension liability	82.49%	84.14%	95.51%	88.61%	90.86%
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Archdale's proportion of the net pension liability (asset) (%)	0.05193%	0.05198%	0.05158%	0.05414%	0.05082%
Archdale's proportion of the net pension liability (asset) (\$)	\$ 1,231,957	\$ 794,110	\$ 1,094,700	\$ 242,977	\$ (299,709)
Archdale's covered payroll	\$ 3,012,287	\$ 2,973,091	\$ 2,804,844	\$ 2,781,194	\$ 2,670,224
Archdale's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.90%	26.71%	39.03%	8.74%	( 11.22%)
Plan fiduciary net position as a percentage of the total pension liability *	91.63%	94.18%	91.47%	98.09%	99.07%

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

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

**City of Archdale, North Carolina  
City of Archdale's Contributions  
Required Supplementary Information  
Last Ten Fiscal Years**

**Local Governmental Employees' Retirement System**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 544,491	\$ 460,697	\$ 443,516	\$ 349,866	\$ 302,348
Contributions in relation to the contractually required contribution	\$ 544,491	\$ 460,697	\$ 443,516	\$ 349,866	\$ 302,348
Contribution deficiency (excess)	-	-	-	-	-
Archdale's covered payroll	\$ 4,088,457	\$ 3,689,558	\$ 3,839,012	\$ 3,382,307	\$ 3,281,424
Contributions as a percentage of covered payroll	13.32%	12.49%	11.55%	10.34%	9.21%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 247,762	\$ 232,694	\$ 222,466	\$ 190,590	\$ 198,590
Contributions in relation to the contractually required contribution	\$ 247,762	\$ 232,694	\$ 222,466	\$ 190,590	\$ 198,590
Contribution deficiency (excess)	-	-	-	-	-
Archdale's covered payroll	\$ 3,105,538	\$ 3,012,287	\$ 2,973,091	\$ 2,804,844	\$ 2,781,194
Contributions as a percentage of covered payroll	7.98%	7.72%	7.48%	6.80%	7.14%



**City of Archdale, North Carolina**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Eight Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability:</b>				
Service Cost	\$ 34,952	\$ 34,353	\$ 31,676	\$ 27,758
Interest	66,881	61,389	61,275	48,053
Difference between expected and actual experience	66,381	94,883	(18,274)	75,226
Changes of assumptions and other inputs	-	-	-	151,589
Benefit payments	<u>(97,817)</u>	<u>(83,749)</u>	<u>(61,429)</u>	<u>(63,030)</u>
<b>Net change in total pension liability</b>	<b>70,397</b>	<b>106,876</b>	<b>13,248</b>	<b>239,596</b>
<b>Total pension liability - beginning</b>	<b>1,264,922</b>	<b>1,158,046</b>	<b>1,144,798</b>	<b>905,202</b>
<b>Total pension liability - ending (a)</b>	<b>1,335,319</b>	<b>1,264,922</b>	<b>1,158,046</b>	<b>1,144,798</b>
Contributions - employer	131,817	139,464	61,429	63,030
Net investment income	115,848	(125,424)	85,791	78,979
Benefit payments	(97,817)	(83,749)	(61,429)	(63,030)
Administrative expense	-	-	-	-
<b>Net change in plan net position</b>	<b>149,848</b>	<b>(69,709)</b>	<b>85,791</b>	<b>78,979</b>
<b>Plan fiduciary net position - beginning</b>	<b>657,471</b>	<b>727,180</b>	<b>641,389</b>	<b>562,410</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>807,319</b>	<b>657,471</b>	<b>727,180</b>	<b>641,389</b>
<b>Net pension liability - ending (a) - (b)</b>	<b><u>\$ 528,000</u></b>	<b><u>\$ 607,451</u></b>	<b><u>\$ 430,866</u></b>	<b><u>\$ 503,409</u></b>
Ratio of plan net position to total pension liability	60.46%	51.98%	62.79%	56.03%
Covered payroll	\$ 1,492,593	\$ 1,507,985	\$ 1,316,064	\$ 1,320,005
Net pension liability as a percentage of covered payroll	35.37%	40.28%	32.74%	38.14%
Changes of Assumptions:				
Assumed rate of return	5.50%	5.50%	5.50%	5.50%
Assumed inflation rate	2.50%	2.50%	2.50%	2.50%

(continued)

**City of Archdale, North Carolina**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Eight Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total pension liability:</b>				
Service Cost	\$ 37,928	\$ 37,224	\$ 34,324	\$ 37,421
Interest	32,441	31,788	35,529	33,220
Difference between expected and actual experience	128,090	(71,529)	16,400	-
Changes of assumptions and other inputs	(144,179)	(36,993)	60,139	(23,217)
Benefit payments	<u>(80,637)</u>	<u>(69,770)</u>	<u>(52,003)</u>	<u>(62,986)</u>
<b>Net change in total pension liability</b>	(26,357)	(109,280)	94,389	(15,562)
<b>Total pension liability - beginning</b>	931,559	1,040,839	946,450	962,012
<b>Total pension liability - ending (a)</b>	905,202	931,559	1,040,839	946,450
Contributions - employer	580,637	69,770	52,398	63,183
Net investment income	62,410			
Benefit payments	(80,637)	(69,770)	(52,003)	(62,986)
Administrative expense	-	-	(395)	(197)
<b>Net change in plan net position</b>	<u>562,410</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - beginning</b>	-	-	-	-
<b>Plan fiduciary net position - ending (b)</b>	<u>562,410</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 342,792</u>	<u>\$ 931,559</u>	<u>\$ 1,040,839</u>	<u>\$ 946,450</u>
Ratio of plan net position to total pension liability	62.13%	0.00%	0.00%	0.00%
Covered payroll	\$ 1,261,294	\$ 1,179,490	\$ 1,236,309	\$ 1,247,899
Net pension liability as a percentage of covered payroll	27.18%	78.98%	84.19%	75.84%
Changes of Assumptions:				
Assumed rate of return	5.50%	3.64%	3.16%	3.86%
Assumed inflation rate	2.50%	2.50%	2.50%	3.00%

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

Information will be presented for the last ten fiscal years as the data becomes available.

**City of Archdale, North Carolina**  
**Schedule of Employer Contributions**  
**Law Enforcement Officers' Special Separation Allowance (LEOSSA) Pension Benefit Trust**  
**Last Six Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined employer contribution	\$ 111,154	\$ 97,907	\$ 80,455
Actual employer contributions	<u>\$ 137,985</u>	<u>\$ 111,799</u>	<u>\$ 103,304</u>
Annual contribution deficiency (excess)	\$ (26,831)	\$ (13,892)	\$ (22,849)
Covered payroll	\$ 1,519,804	\$ 1,422,784	\$ 1,486,252
Actual contributions as a percentage of covered payroll	9.08%	7.86%	6.95%
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined employer contribution	\$ 149,402	\$ 130,687	\$ 125,903
Actual employer contributions	<u>\$ 61,429</u>	<u>\$ 72,633</u>	<u>\$ 575,698</u>
Annual contribution deficiency (excess)	\$ 87,973	\$ 58,054	\$ (449,795)
Covered payroll	\$ 1,259,415	\$ 1,199,763	\$ 1,165,121
Actual contributions as a percentage of covered payroll	4.88%	6.05%	49.41%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The following actuarial methods and assumptions were used to determine the contribution rate for fiscal year 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Amortization period	9 years as of December 31, 2021
Asset valuation method	Market value
Inflation	2.50%
Salary increase	3.25% - 7.75%, including inflation
Investment rate of return	5.5%, net of pension plan investment expense, including inflation

Information will be presented for the last ten fiscal years as the data becomes available.  
Employer contributions include benefit payments paid through the general fund.

**City of Archdale, North Carolina**  
**Schedule of Investment Returns**  
**Law Enforcement Officers' Special Separation Allowance (LEOSSA) Pension Benefit Trust**  
**Last Six Fiscal Years**

Investment rate of return, net of investment expense

2024	14.88%
2023	11.61%
2022	-14.31%
2021	27.45%
2020	4.24%
2019	5% *

The Archdale LEOSSA Trust was established near the end of the fiscal year.

\*The above rate of return is for the month of June 2019.

Information will be presented for the last ten fiscal years as the data becomes available.

**City of Archdale, North Carolina**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Last Seven Fiscal Years**

	2024	2023	2022	2021
Service cost	\$ 11,814	\$ 15,665	\$ 19,236	\$ 18,820
Interest on the total pension liability and cash flows	8,478	5,568	8,960	11,236
Difference between expected and actual experience	(19,714)	-	(5,832)	-
Changes of assumptions and other inputs	(3,143)	(44,983)	(165,495)	61,747
Benefit payments and implicit subsidy credit	(4,759)	(3,789)	(5,258)	(9,500)
Net change in total OPEB liability	(7,324)	(27,539)	(148,389)	82,303
Total OPEB liability - beginning	232,145	259,684	408,073	325,770
Total OPEB liability - ending	<u>\$ 224,821</u>	<u>\$ 232,145</u>	<u>\$ 259,684</u>	<u>\$ 408,073</u>
Covered employee payroll	\$ 3,586,398	\$ 3,368,217	\$ 3,368,217	\$ 3,026,895
Total OPEB liability a percentage of covered employee payroll	6.27%	6.89%	7.71%	13.48%
	2020	2019	2018	
Service cost	\$ 18,184	\$ 18,895	\$ 20,477	
Interest on the total pension liability and cash flows	11,319	10,070	8,512	
Difference between expected and actual experience	5,029	44	-	
Changes of assumptions and other inputs	4,300	(14,006)	(23,340)	
Benefit payments and implicit subsidy credit	(8,000)	(5,800)	(5,355)	
Net change in total OPEB liability	30,832	9,203	294	
Total OPEB liability - beginning	294,938	285,735	285,441	
Total OPEB liability - ending	<u>\$ 325,770</u>	<u>\$ 294,938</u>	<u>\$ 285,735</u>	
Covered employee payroll	\$ 3,026,895	\$ 2,790,095	\$ 2,790,095	
Total OPEB liability a percentage of covered employee payroll	10.76%	10.57%	10.24%	

Notes to Schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

	Rate
2024	3.86%
2023	3.69%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

The City of Archdale has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits for the OPEB plan.

Information will be presented for the last ten fiscal years as the data becomes available.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes		\$ 4,724,236	
Interest		12,484	
Total	\$ 4,631,040	4,736,720	\$ 105,680
Unrestricted intergovernmental:			
Local option sales taxes		4,541,683	
Telecommunications sales tax		47,198	
Electric sales tax		492,996	
Piped natural gas sales tax		35,129	
Video programming sales tax		75,849	
Beer and wine tax		58,279	
ABC profit distribution		1,951	
Total	5,177,000	5,253,085	76,085
Restricted intergovernmental:			
Powell Bill allocation		381,178	
Asset Forfeiture Program		147,251	
Solid waste disposal tax		9,334	
Other		38,218	
Total	784,500	575,981	(208,519)
Permits and fees:			
Zoning permits and fees		67,089	
Total	19,000	67,089	48,089
Sales and services:			
Recreation department fees		401,191	
Solid waste		801,901	
Recycling		237,440	
Total	1,317,600	1,440,532	122,932
Investment earnings	528,000	906,593	378,593
Miscellaneous:			
Other		254,623	
Total	47,000	254,623	207,623
Total revenues	12,504,140	13,234,623	730,483

(continued)

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

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures:</b>			
General government:			
Governing Body			
Salaries and employee benefits		40,674	
Other operating expenditures		5,223	
Total	50,620	45,897	4,723
Administration:			
Salaries and employee benefits		319,121	
Other operating expenditures		17,013	
Total	417,940	336,134	81,806
Information Technology:			
Salaries and employee benefits		262,828	
Software licensing and maintenance		140,354	
Other operating expenditures		153,808	
Debt service		84,311	
Capital outlay		283,279	
Total	1,079,422	924,580	154,842
Finance:			
Salaries and employee benefits		267,903	
Contracted services		118,534	
Other operating expenditures		26,460	
Total	571,948	412,897	159,051
Legal:			
Contracted services	50,000	43,818	6,182
Facilities and grounds:			
Salaries and employee benefits		302,794	
Other operating expenditures		159,073	
Capital outlay		486,671	
Total	1,088,775	948,538	140,237
Planning and zoning:			
Salaries and employee benefits		193,843	
Contracted services		57,230	
Other operating expenditures		22,044	
Total	589,270	273,117	316,153
Public safety:			
Police:			
Salaries and employee benefits		2,735,716	
Communications and IT		182,796	
Insurance		130,048	
Other operating expenditures		231,189	
Debt service		69,875	
Capital outlay		582,231	
Total	4,714,729	3,931,855	782,874
Fire:			
Contracted services	32,945	32,945	-
Transportation:			
Streets:			
Salaries and employee benefits		244,782	
Street Lights		161,875	
Other operating expenditures		117,608	
Capital outlay		659,132	
Total	1,267,875	1,183,397	84,478

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

	Budget	Actual	Variance Positive (Negative)
Streets-Powell Bill:			
Street repairs and maintenance		346,889	
Other operating expenditures		144	
Total	<u>623,000</u>	<u>347,033</u>	<u>275,967</u>
Environmental protection:			
Sanitation:			
Contracted services		1,056,694	
Other operating expenditures		11,681	
Total	<u>1,091,300</u>	<u>1,068,375</u>	<u>22,925</u>
Culture and recreation:			
Parks and recreation:			
Salaries and employee benefits		611,166	
Utilities		59,775	
Repairs and maintenance		64,990	
Athletic and program supplies		90,127	
Other operating expenditures		158,257	
Capital outlay		59,477	
Total	<u>5,133,241</u>	<u>1,043,792</u>	<u>4,089,449</u>
Senior building:			
Other operating expenditures		13,356	
Total	<u>22,240</u>	<u>13,356</u>	<u>8,884</u>
Library:			
Payment to Randolph County		115,619	
Other operating expenditures		34,601	
Total	<u>162,150</u>	<u>150,220</u>	<u>11,930</u>
Community Promotions:			
Senior adult meal program		28,635	
Economic development		30,000	
Contracted services and membership dues		18,910	
Other		14,000	
Total	<u>629,201</u>	<u>91,545</u>	<u>537,656</u>
Contingency	<u>10,000</u>	-	<u>10,000</u>
Total expenditures	<u>17,534,656</u>	<u>10,847,499</u>	<u>6,687,157</u>
Revenues over (under) expenditures	(5,030,516)	2,387,124	7,417,640
Other financing sources (uses):			
Transfer from (to) PARTF	(1,600,000)	(1,485,240)	114,760
IT subscription agreements	150,000	139,454	(10,546)
Issuance of debt	30,425	30,425	-
Total	<u>(1,419,575)</u>	<u>(1,315,361)</u>	<u>104,214</u>
Fund balance appropriated	<u>6,450,091</u>	-	<u>(6,450,091)</u>
Net change in fund balance	\$ <u>-</u>	1,071,763	\$ <u>1,071,763</u>
Fund balances, beginning		18,340,548	
Fund balances, ending		<u>\$ 19,412,311</u>	

**City of Archdale, North Carolina**  
**Major - PARTF Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2024**

	Actual			Totals to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
PARTF Grant	\$ 500,000	\$ -	\$ 73,512	\$ 73,512	\$ (426,488)
Rural Transformation Grant	180,000	-	-	-	(180,000)
Interest earnings	102,375	-	1,102	1,102	(101,273)
<b>Total revenues</b>	<b>782,375</b>	<b>-</b>	<b>74,614</b>	<b>74,614</b>	<b>(707,761)</b>
<b>Expenditures:</b>					
Culture and recreation:					
Parks and recreation:					
Aldridge Park site furnishings	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Planning & construction management	200,000	-	32,263	32,263	167,737
Drive & parking	168,000	-	-	-	168,000
Aldridge Park entrance	20,000	-	-	-	20,000
Site costs	905,375	-	-	-	905,375
Pickleball courts	100,000	-	-	-	100,000
Playground	300,000	-	-	-	300,000
Restroom & picnic shelter building	350,000	-	-	-	350,000
Greenway	151,000	-	-	-	151,000
Sidewalk	9,000	-	-	-	9,000
Contingency	50,000	-	-	-	50,000
<b>Total expenditures</b>	<b>\$ 2,268,375</b>	<b>-</b>	<b>32,263</b>	<b>32,263</b>	<b>2,236,112</b>
Revenues over (under) expenditures	\$ (1,486,000)	\$ -	42,351	42,351	1,528,351
<b>Other financing sources (uses):</b>					
Transfer from other funds	1,600,000	-	1,600,000	1,600,000	-
Transfer to other funds	(114,000)	-	(114,760)	(114,760)	(760)
<b>Total</b>	<b>1,486,000</b>	<b>-</b>	<b>1,485,240</b>	<b>1,485,240</b>	<b>(760)</b>
Net change in fund balance	\$ -	\$ -	1,527,591	\$ 1,527,591	\$ 1,527,591
Fund balances, beginning			-		
Fund balances, ending			<u>\$ 1,527,591</u>		

**City of Archdale, North Carolina**  
**Major - State Capital Infrastructure Fund (SCIF) Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2024**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Totals to Date	
<b>Revenues:</b>					
Restricted intergovernmental:					
SCIF grant-greenway maintenance	\$ 150,000	\$ 150,000	\$ -	150,000	\$ -
SCIF grant-greenway expansion	300,000	245,820	35,560	281,380	(18,620)
SCIF grant-equipment shelter	200,000	24,215	175,785	200,000	-
Total restricted intergovernmental revenue	650,000	420,035	211,345	420,035	(229,965)
Restricted interest earnings	30,921	21,505	9,302	30,807	(114)
Total revenues	680,921	441,540	220,647	450,842	(230,079)
<b>Expenditures:</b>					
Culture and recreation:					
Parks and recreation:					
Contract services	154,659	154,659	16,495	171,154	(16,495)
Capital outlay	312,783	245,820	19,065	264,885	47,898
Transportation:					
Capital outlay	213,479	24,215	189,264	213,479	-
Total expenditures	680,921	424,694	224,824	649,518	31,403
Revenues over (under) expenditures	\$ -	\$ 16,846	(4,177)	\$ (198,676)	\$ (198,676)
Fund balances, beginning			16,846		
Fund balances, ending			\$ 12,669		

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

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Operating revenues:			
Water charges		\$ 1,979,578	
Sewer charges		2,623,856	
Water and sewer taps		34,010	
Other operating revenues		153,027	
Total	<u>\$ 5,033,720</u>	<u>4,790,471</u>	<u>\$ (243,249)</u>
Nonoperating revenues:			
Lease revenue		28,657	
Interest earnings		407,871	
Total	<u>259,926</u>	<u>436,528</u>	<u>176,602</u>
Total revenues	<u>5,293,646</u>	<u>5,226,999</u>	<u>(66,647)</u>
<b>Expenditures:</b>			
Salaries and employee benefits		793,555	
Water purchases		426,486	
Waste disposal and treatment costs		622,718	
Repairs and maintenance		175,814	
Operating payments to PTRWA		92,270	
Professional services		146,618	
Other operating expenditures		472,996	
Debt service:			
Interest and other charges		85,779	
Principal retirement		463,019	
Capital outlay		132,446	
Total expenditures	<u>4,337,447</u>	<u>3,411,701</u>	<u>925,746</u>
Revenues over (under) expenditures	<u>956,199</u>	<u>1,815,298</u>	<u>859,099</u>
<b>Other financing sources (uses)</b>			
Transfer out	(835,000)	(835,000)	-
IT subscription agreements	-	8,642	8,642
Total other financing sources (uses)	<u>(835,000)</u>	<u>(826,358)</u>	<u>8,642</u>
Revenues and other sources over expenditures and other uses	<u>121,199</u>	<u>988,940</u>	<u>867,741</u>
Net position appropriated	<u>(121,199)</u>	<u>-</u>	<u>121,199</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 988,940</u>	<u>\$ 988,940</u>

(continued)

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

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**Reconciliation from budgetary basis (modified accrual) to full accrual:**

Revenues and other sources over expenditures and other uses	\$	988,940
Reconciling items:		
Principal retirement		463,019
Capital outlay		132,446
Capital contributions from developer		909,386
IT subscription agreements		(8,642)
Increase in accrued vacation pay		(3,037)
Increase in deferred outflows of resources -pensions		(512)
Decrease in deferred outflows of resources - OPEB		(1,372)
Increase in net pension liability		(21,100)
Increase in deferred inflows of resources - pensions		(14,497)
Decrease in deferred inflows of resources - OPEB		648
Decrease in OPEB liability		856
Depreciation and amortization		(1,336,006)
Revenues from Capital Reserve Fund		23,789
Interest income from Capital Reserve Fund		6,997
Interest income from Water and Sewer Capital Fund		141,692
Transfer in Water and Sewer Capital Fund		835,000
Total reconciling items		<u>1,128,667</u>
Change in net position	\$	<u>2,117,607</u>

**City of Archdale, North Carolina**  
**Water and Sewer Capital Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2024**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Nonoperating revenues:			
Interest earnings		\$ 141,692	
Total revenues	\$ 75,000	141,692	\$ 66,692
Expenditures:			
Capital outlay	3,030,000	-	3,030,000
Total expenditures	3,030,000	-	3,030,000
Revenues over (under) expenditures	(2,955,000)	141,692	3,096,692
Other financing sources (uses):			
Transfer in	835,000	835,000	-
Revenues and other sources over (under) expenditures and other uses	(2,120,000)	976,692	3,096,692
Net position appropriated	2,120,000	-	(2,120,000)
Revenues and other sources over expenditures and other uses	\$ -	\$ 976,692	\$ 976,692

**City of Archdale, North Carolina**  
**Water and Sewer Capital Reserve Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
System development fees		\$ 23,789	
Interest earnings		<u>6,997</u>	
Total revenues	<u>\$ 34,300</u>	<u>30,786</u>	<u>\$ (3,514)</u>
Revenues over (under) expenditures	34,300	30,786	(3,514)
Other financing sources (uses):			
Transfer out	<u>(34,300)</u>	<u>-</u>	<u>34,300</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 30,786</u>	<u>\$ 30,786</u>

**City of Archdale, North Carolina**  
**Stormwater Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2024**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Stormwater fees		\$ 501,839	
Other		9,935	
Total	<u>\$ 500,000</u>	<u>511,774</u>	<u>\$ 11,774</u>
Nonoperating revenues:			
Interest earnings		59,343	
Total	<u>35,000</u>	<u>59,343</u>	<u>24,343</u>
Total revenues	<u>535,000</u>	<u>571,117</u>	<u>36,117</u>
Expenditures:			
Salaries and employee benefits		247,619	
Contract services		71,612	
Other operating expenditures		106,548	
Debt service:			
Interest and other charges		67	
Principal retirement		7,373	
Capital outlay		202,379	
Total expenditures	<u>713,435</u>	<u>635,598</u>	<u>77,837</u>
Revenues over (under) expenditures	(178,435)	(64,481)	113,954
Other financing sources (uses)			
IT subscription agreement	-	2,708	2,708
Total other financing sources (uses)	<u>-</u>	<u>2,708</u>	<u>2,708</u>
Net position appropriated	<u>(178,435)</u>	<u>-</u>	<u>(178,435)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (61,773)</u>	<u>\$ (61,773)</u>

**Reconciliation from budgetary basis (modified accrual)  
to full accrual:**

Revenues and other sources over expenditures and other uses	<u>\$ (61,773)</u>
Reconciling items:	
Principal retirement	7,373
Capital outlay	202,379
IT subscription agreements	(2,708)
Increase in accrued vacation pay	(1,550)
Decrease in deferred outflows of resources - pensions	(224)
Decrease in deferred outflows of resources - OPEB	(607)
Increase in net pension liability	(9,322)
Increase in deferred inflows of resources - pensions	(6,406)
Decrease in deferred inflows of resources - OPEB	287
Decrease in OPEB liability	378
Depreciation and amortization	(106,222)
Total reconciling items	<u>83,378</u>
Change in net position	<u>\$ 21,605</u>

**City of Archdale, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2024**

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections And Credits	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 4,793,501	\$ 4,768,617	\$ 24,884
2022-2023	36,691	-	19,349	17,342
2021-2022	4,704	-	1,633	3,071
2020-2021	3,315	-	497	2,818
2019-2020	2,254	-	409	1,845
2018-2019	1,877	-	166	1,711
2017-2018	1,365	-	106	1,259
2016-2017	1,071	-	55	1,016
2015-2016	656	-	161	495
2014-2015	378	-	25	353
2013-2014	2,377	-	2,377	-
	<u>\$ 54,688</u>	<u>\$ 4,793,501</u>	<u>\$ 4,793,395</u>	<u>54,794</u>
Less: allowance for uncollectible accounts:				
	General Fund			<u>10,000</u>
	Ad valorem taxes receivable - net			<u>\$ 44,794</u>
<u>Reconciliation to revenues:</u>				
	Ad valorem taxes - General Fund			\$ 4,736,720
	Reconciling items:			
	Interest collected			(12,484)
	Discounts allowed			64,538
	Taxes written off, releases and refunds			4,621
	Subtotal			<u>56,675</u>
	Total collections and credits			<u>\$ 4,793,395</u>

**City of Archdale, North Carolina**  
**Analysis of Current Tax Levy**  
**City - Wide Levy**  
**For the Year Ended June 30, 2024**

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 1,547,920,645	0.31	\$ 4,798,554	\$ 4,351,435	\$ 447,119
Penalties	-		-	-	-
Total	<u>1,547,920,645</u>		<u>4,798,554</u>	<u>4,351,435</u>	<u>447,119</u>
Discoveries:					
Current year taxes	5,327,742	0.31	16,516	16,516	-
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Abatements	(6,957,742)	0.31	(21,569)	(21,569)	-
Total property valuation	<u>\$ 1,546,290,645</u>				
Net levy			4,793,501	4,346,382	447,119
Uncollected taxes at June 30, 2024			<u>(24,884)</u>	<u>(24,884)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 4,768,617</u>	<u>\$ 4,321,498</u>	<u>\$ 447,119</u>
Current levy collection percentage			<u>99.48%</u>	<u>99.43%</u>	<u>100.00%</u>



## **STATISTICAL SECTION**

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographics and Economic Condition
- Operating Conditions





## **Statistical Section**

This part of the City of Archdale's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

### **Financial Trends**

These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the City's ability to generate its property and sales taxes.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.



**CITY OF ARCHDALE, NORTH CAROLINA**  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Net position:</b>					
Governmental activities:					
Net investment in capital assets	\$ 13,245,910	\$ 13,990,727	\$ 14,217,643	\$ 15,359,566	\$ 17,209,967
Restricted	2,043,813	2,070,789	1,831,751	1,909,466	2,496,877
Unrestricted	<u>6,526,605</u>	<u>7,271,322</u>	<u>7,534,635</u>	<u>7,565,571</u>	<u>6,497,381</u>
Total governmental activities net position	<u>\$ 21,816,328</u>	<u>\$ 23,332,838</u>	<u>\$ 23,584,029</u>	<u>\$ 24,834,603</u>	<u>\$ 26,204,225</u>
Business-type activities:					
Net investment in capital assets	\$ 18,183,447	\$ 19,355,666	\$ 19,882,981	\$ 19,855,768	\$ 19,994,349
Restricted	-	-	-	-	19,074
Unrestricted	<u>6,231,492</u>	<u>6,345,377</u>	<u>6,667,220</u>	<u>7,658,090</u>	<u>8,342,330</u>
Total business-type activities net position	<u>\$ 24,414,939</u>	<u>\$ 25,701,043</u>	<u>\$ 26,550,201</u>	<u>\$ 27,513,858</u>	<u>\$ 28,355,753</u>
Primary government					
Net investment in capital assets	\$ 31,429,357	\$ 33,346,393	\$ 34,100,624	\$ 35,215,334	\$ 37,204,316
Restricted	2,043,813	2,070,789	1,831,751	1,909,466	2,515,951
Unrestricted	<u>12,758,097</u>	<u>13,616,699</u>	<u>14,201,855</u>	<u>15,223,661</u>	<u>14,839,711</u>
Total primary government net position	<u>\$ 46,231,267</u>	<u>\$ 49,033,881</u>	<u>\$ 50,134,230</u>	<u>\$ 52,348,461</u>	<u>\$ 54,559,978</u>
<hr/>					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Net position:</b>					
Governmental activities:					
Net investment in capital assets	\$ 17,579,389	\$ 18,255,346	\$ 18,391,402	\$ 19,051,808	\$ 21,777,426
Restricted	2,273,808	2,370,602	2,524,178	2,790,486	3,494,735
Unrestricted	<u>7,229,447</u>	<u>7,726,045</u>	<u>8,949,487</u>	<u>13,914,146</u>	<u>15,514,617</u>
Total governmental activities net position	<u>\$ 27,082,644</u>	<u>\$ 28,351,993</u>	<u>\$ 29,865,067</u>	<u>\$ 35,756,440</u>	<u>\$ 40,786,778</u>
Business-type activities:					
Net investment in capital assets	\$ 21,086,589	\$ 21,095,109	\$ 20,761,897	\$ 20,851,980	\$ 21,113,005
Restricted	64,565	88,952	112,564	123,652	154,437
Unrestricted	<u>8,048,355</u>	<u>8,561,539</u>	<u>9,739,481</u>	<u>10,824,557</u>	<u>12,671,959</u>
Total business-type activities net position	<u>\$ 29,199,509</u>	<u>\$ 29,745,600</u>	<u>\$ 30,613,942</u>	<u>\$ 31,800,189</u>	<u>\$ 33,939,401</u>
Primary government					
Net investment in capital assets	\$ 38,665,978	\$ 39,350,455	\$ 39,153,299	\$ 39,903,788	\$ 42,890,431
Restricted	2,338,373	2,459,554	2,636,742	2,914,138	3,649,172
Unrestricted	<u>15,277,802</u>	<u>16,287,584</u>	<u>18,688,968</u>	<u>24,738,703</u>	<u>28,186,576</u>
Total primary government net position	<u>\$ 56,282,153</u>	<u>\$ 58,097,593</u>	<u>\$ 60,479,009</u>	<u>\$ 67,556,629</u>	<u>\$ 74,726,179</u>

Source: City of Archdale Audited Financial Statements.

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 1,235,682	\$ 1,289,975	\$ 1,359,290	\$ 1,531,883	\$ 1,628,795
Public safety	2,374,771	2,496,393	2,516,738	2,592,063	2,654,576
Transportation	736,193	773,384	845,365	823,364	897,076
Cultural and recreation	782,917	984,361	996,670	1,042,565	1,089,605
Environmental protection	768,301	764,780	770,273	798,534	826,516
Community Promotions	299,845	63,788	65,635	99,308	96,424
Interest on Long-Term Debt	63,813	45,123	42,180	39,361	24,642
Total Governmental Activities Expenses	<u>6,261,522</u>	<u>6,417,804</u>	<u>6,596,151</u>	<u>6,927,078</u>	<u>7,217,634</u>
Business-Type Activities:					
Water and Sewer	3,087,889	3,194,077	3,121,220	3,079,877	3,371,663
Stormwater	523,989	380,706	362,618	358,689	372,105
	<u>3,611,878</u>	<u>3,574,783</u>	<u>3,483,838</u>	<u>3,438,566</u>	<u>3,743,768</u>
Total primary government expenses	<u>\$ 9,873,400</u>	<u>\$ 9,992,587</u>	<u>\$ 10,079,989</u>	<u>\$ 10,365,644</u>	<u>\$ 10,961,402</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ -	\$ -	\$ 18,085	\$ 19,567	\$ 24,796
Cultural and recreation	152,241	170,949	167,635	173,128	213,189
Environmental protection	798,306	800,439	811,143	827,247	830,262
Operating grants and contributions:					
General government	8,000	11,010	-	2,780	3,738
Public safety	270,425	36,969	26,684	30,711	123,345
Transportation	336,331	309,426	339,195	338,121	338,485
Cultural and recreation	27,250	61,200	25,000	130,000	39,400
Environmental protection	7,580	487	15,940	8,042	8,994
Community promotions	231,847	7,682	-	-	-
Capital grants and contributions:					
General government	-	-	-	17,882	904
Transportation	-	713,350	-	-	-
Cultural and recreation	-	18,450	-	179,600	136,292
Total governmental activities program revenues	<u>1,831,980</u>	<u>2,129,962</u>	<u>1,403,682</u>	<u>1,727,078</u>	<u>1,719,405</u>
Business-type activities:					
Water and sewer:					
Charges for services	3,610,777	3,583,762	3,703,570	3,823,802	3,967,487
Operating grants and contributions	26,363	25,743	26,376	27,167	-
Capital grants and contributions	-	745,885	87,928	-	19,074
Stormwater:					
Charges for services	479,039	485,013	491,207	493,498	494,660
Operating grants and contributions	168,003	-	-	-	-
Total business-type activities program revenues	<u>4,284,182</u>	<u>4,840,403</u>	<u>4,309,081</u>	<u>4,344,467</u>	<u>4,481,221</u>
Total primary government program revenues	<u>\$ 6,116,162</u>	<u>\$ 6,970,365</u>	<u>\$ 5,712,763</u>	<u>\$ 6,071,545</u>	<u>\$ 6,200,626</u>

(continued)

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,064,020	\$ 1,997,765	\$ 2,109,177	\$ 2,236,836	\$ 2,442,302
Public safety	2,816,346	2,859,397	3,134,455	3,507,895	3,772,428
Transportation	828,688	824,078	917,099	941,089	1,087,187
Cultural and recreation	1,119,161	1,197,902	1,327,615	1,751,505	1,068,375
Environmental protection	889,737	949,781	969,167	1,010,187	1,623,637
Community Promotions	123,687	257,286	181,022	242,485	91,545
Interest on Long-Term Debt	-	-	-	4,098	5,966
Total Governmental Activities Expenses	<u>7,841,639</u>	<u>8,086,209</u>	<u>8,638,535</u>	<u>9,694,095</u>	<u>10,091,440</u>
Business-Type Activities:					
Water and Sewer	3,556,714	3,834,113	3,879,828	3,826,734	4,191,256
Stormwater	494,206	512,722	483,658	489,716	549,512
	<u>4,050,920</u>	<u>4,346,835</u>	<u>4,363,486</u>	<u>4,316,450</u>	<u>4,740,768</u>
Total primary government expenses	<u>\$ 11,892,559</u>	<u>\$ 12,433,044</u>	<u>\$ 13,002,021</u>	<u>\$ 14,010,545</u>	<u>\$ 14,832,208</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 17,500	\$ 16,225	\$ 28,803	\$ 33,379	\$ 67,089
Cultural and recreation	185,544	184,773	248,693	335,074	401,191
Environmental protection	836,600	896,931	936,940	966,799	1,039,341
Operating grants and contributions:					
General government	29,594	16,041	37,336	46,120	10,044
Public safety	68,878	254,672	65,717	175,463	185,190
Transportation	331,161	304,613	350,546	376,058	424,157
Cultural and recreation	42,001	37,231	26,678	177,514	69,445
Environmental protection	9,208	17,518	12,815	13,947	12,514
Community promotions	46,107	128,165	91,075	125,000	-
Capital grants and contributions:					
General government	10,370	-	-	-	-
Public safety	-	-	-	300,000	-
Transportation	19,000	-	258	24,215	1,861,558
Cultural and recreation	27,148	74,672	216,247	320,820	93,679
Total governmental activities program revenues	<u>1,623,111</u>	<u>1,930,841</u>	<u>2,015,108</u>	<u>2,894,389</u>	<u>4,164,208</u>
Business-type activities:					
Water and sewer:					
Charges for services	4,157,853	4,295,429	4,658,876	4,635,013	4,819,128
Operating grants and contributions	3,899	-	-	-	-
Capital grants and contributions	119,742	40,741	23,450	7,020	933,175
Stormwater:					
Charges for services	494,094	495,077	496,211	497,978	511,774
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>4,775,588</u>	<u>4,831,247</u>	<u>5,178,537</u>	<u>5,140,011</u>	<u>6,264,077</u>
Total primary government program revenues	<u>\$ 6,398,699</u>	<u>\$ 6,762,088</u>	<u>\$ 7,193,645</u>	<u>\$ 8,034,400</u>	<u>\$ 10,428,285</u>

(continued)

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Total net (expense) revenue by program:</b>					
Governmental activities:					
General government	\$ (1,227,682)	\$ (923,161)	\$ (1,341,205)	\$ (1,491,654)	\$ (1,599,357)
Public safety	(2,104,346)	(764,293)	(2,490,054)	(2,561,352)	(2,531,231)
Transportation	(399,862)	(56,106)	(506,170)	(485,243)	(558,591)
Cultural and recreation	(603,426)	(34,113)	(804,035)	(559,837)	(700,724)
Environmental protection	37,585	(6,380,835)	56,810	36,755	12,740
Community promotions	(67,998)	713,350	(65,635)	(99,308)	(96,424)
Interest on Long-Term Debt	(63,813)	(3,194,077)	(42,180)	(39,361)	(24,642)
Total Governmental activities	<u>\$ (4,429,542)</u>	<u>\$ (10,639,235)</u>	<u>\$ (5,192,469)</u>	<u>\$ (5,200,000)</u>	<u>\$ (5,498,229)</u>
Business-type activities:					
Water and sewer	549,251	485,013	696,654	771,092	614,898
Stormwater	123,053	(9,992,587)	128,589	134,809	122,555
Total Business-type activities	<u>\$ 672,304</u>	<u>\$ (9,507,574)</u>	<u>\$ 825,243</u>	<u>\$ 905,901</u>	<u>\$ 737,453</u>
Total net program (expense) revenue	<u>\$ (3,757,238)</u>	<u>\$ (20,146,809)</u>	<u>\$ (4,367,226)</u>	<u>\$ (4,294,099)</u>	<u>\$ (4,760,776)</u>
<b>General revenues and transfers</b>					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 2,686,039	\$ 2,708,328	\$ 2,746,614	\$ 2,843,427	\$ 2,900,887
Other taxes	241,978	1,269	1,962	1,770	-
Grants and contributions not restricted to specific programs	2,866,578	3,015,823	3,324,876	3,454,666	3,618,849
Investment earnings, unrestricted	28,944	33,256	55,155	130,712	210,225
Miscellaneous	60,260	45,676	85,565	58,164	137,890
Transfers	-	-	-	-	-
Total governmental activities general revenues and transfers	<u>\$ 5,883,799</u>	<u>\$ 5,804,352</u>	<u>\$ 6,214,172</u>	<u>\$ 6,488,739</u>	<u>\$ 6,867,851</u>
Business-type activities:					
Water and sewer:					
Investment earnings, unrestricted	26,719	20,484	23,915	52,293	104,442
Miscellaneous	-	-	-	-	-
Transfers	-	-	-	-	-
Stormwater:					
Transfers	-	-	-	-	-
Total business-type activities general revenues and transfers	<u>\$ 26,719</u>	<u>\$ 20,484</u>	<u>\$ 23,915</u>	<u>\$ 52,293</u>	<u>\$ 104,442</u>
Total primary government	<u>\$ 5,910,518</u>	<u>\$ 5,824,836</u>	<u>\$ 6,238,087</u>	<u>\$ 6,541,032</u>	<u>\$ 6,972,293</u>
Change in Net Position					
Governmental activities	1,454,257	(4,834,883)	1,021,703	1,288,739	1,369,622
Business-type activities	699,023	(9,487,090)	849,158	958,194	841,895
<b>Total Change in Net Position</b>	<u>\$ 2,153,280</u>	<u>\$ (14,321,973)</u>	<u>\$ 1,870,861</u>	<u>\$ 2,246,933</u>	<u>\$ 2,211,517</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Total net (expense) revenue by program:</b>					
Governmental activities:					
General government	\$ (2,006,556)	\$ (1,965,499)	\$ (2,043,038)	\$ (2,157,337)	\$ (2,365,169)
Public safety	(2,747,468)	(2,604,725)	(3,068,738)	(3,032,432)	(3,587,238)
Transportation	(478,527)	(519,465)	(566,295)	(540,816)	1,198,528
Cultural and recreation	(864,468)	(901,226)	(835,997)	(918,097)	(504,060)
Environmental protection	(43,929)	(35,332)	(19,412)	(29,441)	(571,782)
Community promotions	(77,580)	(129,121)	(89,947)	(117,485)	(91,545)
Interest on Long-Term Debt	-	-	-	(4,098)	(5,966)
Total Governmental activities	<u>\$ (6,218,528)</u>	<u>\$ (6,155,368)</u>	<u>\$ (6,623,427)</u>	<u>\$ (6,799,706)</u>	<u>\$ (5,927,232)</u>
Business-type activities:					
Water and sewer	724,780	502,057	802,498	815,299	1,561,047
Stormwater	(112)	(17,645)	12,553	8,262	(37,738)
Total Business-type activities	<u>\$ 724,668</u>	<u>\$ 484,412</u>	<u>\$ 815,051</u>	<u>\$ 823,561</u>	<u>\$ 1,523,309</u>
Total net program (expense) revenue	<u>\$ (5,493,860)</u>	<u>\$ (5,670,956)</u>	<u>\$ (5,808,376)</u>	<u>\$ (5,976,145)</u>	<u>\$ (4,403,923)</u>
<b>General revenues and transfers</b>					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 3,079,009	\$ 3,133,079	\$ 3,370,920	\$ 3,554,061	\$ 4,737,877
Other taxes	-	-	-	-	-
Grants and contributions not restricted to specific programs	3,737,166	4,203,643	4,763,585	8,524,755	5,253,085
Investment earnings, unrestricted	141,838	5,079	19,782	562,541	922,843
Miscellaneous	138,934	82,916	13,967	49,722	43,765
Transfers	-	-	(31,753)	-	-
Total governmental activities general revenues and transfers	<u>7,096,947</u>	<u>7,424,717</u>	<u>8,136,501</u>	<u>12,691,079</u>	<u>10,957,570</u>
Business-type activities:					
Water and sewer:					
Investment earnings, unrestricted	119,088	28,260	21,538	362,686	615,903
Miscellaneous	-	33,419	-	-	-
Transfers	-	-	25,674	-	-
Stormwater:					
Transfers	-	-	6,079	-	-
Total business-type activities general revenues and transfers	<u>119,088</u>	<u>61,679</u>	<u>53,291</u>	<u>362,686</u>	<u>615,903</u>
Total primary government	<u>\$ 7,216,035</u>	<u>\$ 7,486,396</u>	<u>\$ 8,189,792</u>	<u>\$ 13,053,765</u>	<u>\$ 11,573,473</u>
Change in Net Position					
Governmental activities	878,419	1,269,349	1,513,074	5,891,373	5,030,338
Business-type activities	843,756	546,091	868,342	1,186,247	2,139,212
<b>Total Change in Net Position</b>	<u>\$ 1,722,175</u>	<u>\$ 1,815,440</u>	<u>\$ 2,381,416</u>	<u>\$ 7,077,620</u>	<u>\$ 7,169,550</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Fund Balance</b>					
General Fund					
Nonspendable:					
Prepaid items	\$ 5,501	\$ 1,431	\$ 23,941	\$ 136,118	\$ 15,824
Restricted:					
Stabilization by State Statute	996,555	1,138,833	1,043,101	1,119,896	1,695,177
Streets - Powell Bill	719,991	727,345	661,346	691,017	626,977
Public Safety	327,267	203,615	127,304	98,552	174,723
Assigned:					
Economic Development	375,191	441,691	511,191	577,134	606,621
Capital	894,695	1,614,896	3,014,232	3,027,481	2,819,198
Subsequent Year's Expenditure	-	-	-	-	119,469
Unassigned	5,925,258	5,858,299	5,537,795	5,429,516	3,984,040
<b>Total general fund</b>	<u>\$ 9,244,458</u>	<u>\$ 9,986,110</u>	<u>\$ 10,918,910</u>	<u>\$ 11,079,714</u>	<u>\$ 10,042,029</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned:					
Grant Project Fund	-	-	-	47,134	116,310
<b>Total all other governmental funds</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,134</u>	<u>\$ 116,310</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Fund Balance</b>					
General Fund					
Nonspendable:					
Prepaid items	\$ 11,162	\$ 11,584	\$ 40,720	\$ 15,237	\$ 15,737
Restricted:					
Stabilization by State Statute	1,367,630	1,585,605	1,735,395	1,855,946	2,403,323
Streets	655,803	620,497	599,986	617,656	688,132
Public Safety	213,185	170,907	187,959	300,038	390,611
Assigned:					
Economic Development	626,621	651,621	676,621	670,484	695,484
Capital	1,934,500	2,500,000	2,000,000	5,669,164	6,121,900
Subsequent Year's Expenditure	1,514,072	877,199	3,342,430	3,357,820	3,470,370
Unassigned	4,539,905	5,354,722	4,377,754	5,854,203	5,626,754
<b>Total general fund</b>	<u>\$ 10,862,878</u>	<u>\$ 11,772,135</u>	<u>\$ 12,960,865</u>	<u>\$ 18,340,548</u>	<u>\$ 19,412,311</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ 37,190	\$ -	\$ -	\$ -	\$ -
Grant Project Funds	-	-	838	16,846	12,669
Assigned:					
Grant Project Funds	79,171	-	3,163	-	1,527,591
<b>Total all other governmental funds</b>	<u>\$ 116,361</u>	<u>\$ -</u>	<u>\$ 4,001</u>	<u>\$ 16,846</u>	<u>\$ 1,540,260</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
<b>Revenues</b>					
Ad Valorem Taxes	\$ 2,694,321	\$ 2,712,076	\$ 2,749,483	\$ 2,845,328	\$ 2,893,656
Other Taxes and Licenses	241,978	1,269	1,962	1,770	-
Unrestricted Intergovernmental	2,866,578	3,015,823	3,324,876	3,454,666	3,618,849
Restricted Intergovernmental	865,677	428,387	382,222	672,182	618,234
Licenses and Permits	9,290	12,440	18,085	18,015	12,825
Sales and Services	950,547	971,388	978,778	996,528	1,043,577
Investment Earnings	29,095	39,547	66,809	131,603	224,986
Miscellaneous	50,569	34,580	92,086	61,927	161,871
<b>Total Revenues</b>	<b>7,708,055</b>	<b>7,215,510</b>	<b>7,614,301</b>	<b>8,182,019</b>	<b>8,573,998</b>
<b>Expenditures</b>					
General Government	1,118,207	1,169,373	1,194,693	1,370,344	1,445,494
Public Safety	2,263,218	2,371,661	2,277,393	2,352,153	2,939,951
Public Works	695,746	728,270	788,192	762,947	834,060
Sanitation	768,301	764,780	770,273	798,534	826,516
Cultural and Recreation	618,871	800,747	789,375	836,989	823,275
Community Promotions	299,845	63,788	65,635	99,308	96,424
Capital Outlay	116,711	459,717	660,467	1,634,372	1,144,104
Debt Service:					
Principal	678,350	105,263	105,263	105,263	1,412,281
Interest	63,813	45,123	42,180	39,361	24,642
<b>Total Expenditures</b>	<b>6,623,062</b>	<b>6,508,722</b>	<b>6,693,471</b>	<b>7,999,271</b>	<b>9,546,747</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,084,993</b>	<b>706,788</b>	<b>920,830</b>	<b>182,748</b>	<b>(972,749)</b>
<b>Other Financing Sources (Uses), Net</b>					
Operating Transfers	-	-	-	-	-
Proceeds from Issuance of Debt	-	-	-	-	-
Insurance Recovery	30,020	-	-	-	-
Sale of Capital Assets	-	14,414	11,970	25,190	4,240
Restricted Donation & Fee In-lieu	-	20,450	-	-	-
<b>Total Change in Fund Balance</b>	<b>\$ 1,115,013</b>	<b>\$ 741,652</b>	<b>\$ 932,800</b>	<b>\$ 207,938</b>	<b>\$ (968,509)</b>
Debt Service as a Percentage of Noncapital Expenditures	11.41%	2.49%	2.44%	2.27%	17.10%

	2020	2021	2022	2023	2024
<b>Revenues</b>					
Ad Valorem Taxes	\$ 3,072,068	\$ 3,142,560	\$ 3,370,105	\$ 3,536,397	\$ 4,736,720
Unrestricted Intergovernmental	3,737,166	4,203,643	4,550,450	5,068,726	5,253,085
Restricted Intergovernmental	521,640	808,382	761,639	4,904,561	860,838
Licenses and Permits	17,500	16,225	28,803	28,879	67,089
Sales and Services	1,022,144	1,081,704	1,185,633	1,301,813	1,440,532
Investment Earnings	168,182	5,547	21,546	585,577	916,997
Miscellaneous	102,374	42,744	72,511	136,802	254,623
<b>Total Revenues</b>	<b>8,641,074</b>	<b>9,300,805</b>	<b>9,990,687</b>	<b>15,562,755</b>	<b>13,529,884</b>
<b>Expenditures</b>					
General Government	1,792,197	1,754,696	1,968,296	1,935,312	2,130,720
Public Safety	2,511,133	2,595,278	3,056,356	3,044,935	3,312,694
Public Works	699,709	701,967	822,783	818,025	871,298
Sanitation	889,737	949,781	969,167	1,010,187	1,068,375
Cultural and Recreation	847,594	900,775	1,028,825	1,374,264	1,196,649
Community Promotions	123,687	257,286	181,022	242,485	91,545
Capital Outlay	1,014,113	1,412,360	781,706	2,040,804	2,279,119
Debt Service:					
Principal	-	-	10,488	117,990	148,220
Interest	-	-	-	4,098	5,966
<b>Total Expenditures</b>	<b>7,878,170</b>	<b>8,572,143</b>	<b>8,818,643</b>	<b>10,588,100</b>	<b>11,104,586</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>762,904</b>	<b>728,662</b>	<b>1,172,044</b>	<b>4,974,655</b>	<b>2,425,298</b>
<b>Other Financing Sources (Uses), Net</b>					
Operating Transfers	-	-	(31,753)	-	-
IT Subscription Agreements	-	-	-	363,108	139,454
Sale of Capital Assets	57,996	64,234	52,440	-	-
Issuance of Debt	-	-	-	54,765	30,425
<b>Total Change in Fund Balance</b>	<b>\$ 820,900</b>	<b>\$ 792,896</b>	<b>\$ 1,192,731</b>	<b>\$ 5,392,528</b>	<b>\$ 2,595,177</b>
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.13%	1.43%	1.75%

**CITY OF ARCHDALE, NORTH CAROLINA**  
 General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Utility Sales Tax</b>	<b>Beer and Wine Tax</b>	<b>Solid Waste Disposal Tax</b>	<b>Total</b>
2015	2,694,321	2,102,948	706,795	56,021	7,580	5,567,665
2016	2,712,076	2,278,213	684,623	52,137	7,682	5,734,731
2017	2,749,483	2,604,025	665,798	54,106	8,029	6,081,441
2018	2,845,328	2,737,471	663,770	52,430	8,042	6,307,041
2019	2,893,656	2,903,534	662,043	52,304	8,994	6,520,531
2020	3,072,068	3,055,170	628,403	52,335	9,208	6,817,184
2021	3,142,560	3,519,388	631,598	51,280	9,189	7,354,015
2022	3,370,105	3,879,607	621,799	47,320	8,990	7,927,821
2023	3,536,397	4,338,833	636,097	54,510	9,696	8,575,533
2024	4,736,720	4,541,683	651,172	58,279	9,334	9,997,188
Change from 2015 to 2024	75.80%	115.97%	-7.87%	4.03%	23.14%	79.56%

In North Carolina, property tax would be considered an own-source revenue. Information about the tax rate and assessed value is found in the Revenue Capacity tables in the Statistical Section. Archdale's tax rate is .31 per \$100 of assessed valuation.

Sales tax revenue is distributed to Archdale from Randolph County under the per capita distribution formula and from Guilford County under the ad valorem distribution formula.

A city or county is eligible to share in beer or wine excise tax revenues if beer or wine may legally be sold within its boundaries.

**CITY OF ARCHDALE, NORTH CAROLINA**  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property	Public Service Companies	Total	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Property Tax Rate (per \$100 Assessed Value)
	Assessed Value	Estimated Actual Value (1)	Assessed Value (2)	Assessed Value (3)	Assessed Value			
2015	749,809,892	761,132,728	171,237,213	14,918,109	935,965,214	947,288,050	98.80%	0.29
2016	751,848,348	779,060,399	179,534,765	17,419,470	948,802,583	976,014,634	97.21%	0.29
2017	757,198,427	816,270,140	188,627,763	17,542,010	963,368,200	1,022,439,913	94.22%	0.29
2018	767,317,418	851,139,716	201,499,095	23,840,039	992,656,552	1,076,478,850	92.21%	0.29
2019	778,194,445	861,646,652	210,739,803	25,626,442	1,014,560,690	1,098,012,897	92.40%	0.29
2020	843,832,920	886,962,429	206,088,536	26,073,372	1,075,994,828	1,119,124,337	96.15%	0.29
2021	853,173,869	938,779,036	214,313,409	26,589,963	1,094,077,241	1,179,682,408	92.74%	0.29
2022	863,480,026	990,630,027	217,715,084	19,701,342	1,100,896,452	1,228,046,453	89.65%	0.31
2023	887,768,385	941,848,143	247,534,779	22,582,642	1,157,885,806	1,211,965,564	95.54%	0.31
2024	1,265,587,997	1,514,353,224	258,966,327	21,736,321	1,546,290,645	1,795,055,872	86.14%	0.31

Sources: Randolph County Tax Department and the Finance Departments for Randolph and Guilford Counties.

A revaluation of all property is required at least every eight (8) years by state statute.

Real property in Randolph County was revalued on January 1, 2023. Next scheduled revaluation is in 2027.

Real property in Guilford County was revalued on January 1, 2022. Next scheduled revaluation is in 2027.

(1) The estimated market value for real property is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the North Carolina Department of Revenue. The ratio is based on actual property sales that took place during the year.

(2) Personal property is appraised each year and assessed at 100% of appraised value.

(3) Public Service Companies valuations are provided by the North Carolina Department of Revenue.

Public Service Companies assessed value as a percentage of actual value is 100%.

Note: The NCDMV's Tax & Tag Together Program collects taxes on registered motor vehicles at the time of vehicle registration renewal.

Fiscal Year	Ratio of Assessed Value to Estimated Actual Value of Real Property	
	Randolph County	Guilford County
2015	98.00%	97.65%
2016	95.81%	95.67%
2017	96.47%	97.77%
2018	92.57%	99.75%
2019	90.17%	94.74%
2020	95.26%	91.41%
2021	91.28%	80.07%
2022	87.32%	82.44%
2023	94.23%	84.95%
2024	83.88%	74.08%

**CITY OF ARCHDALE, NORTH CAROLINA**  
Property Tax Rates - Direct and Overlapping Governments  
(Per \$100 of Assessed Value)  
Last Ten Fiscal Years

Fiscal Year	Randolph County					Guilford County			
	City of Archdale	Randolph County	Guil-Rand Fire District	Archdale Trinity School District	Combined Tax Rate	City of Archdale	Guilford County	Guil-Rand Fire District	Combined Tax Rate
2015	0.29	0.6550	0.1262	0.0954	1.1666	0.29	0.7600	0.1200	1.1700
2016	0.29	0.6550	0.1262	0.0954	1.1666	0.29	0.7550	0.1200	1.1650
2017	0.29	0.6525	0.1262	0.0954	1.1641	0.29	0.7550	0.1200	1.1650
2018	0.29	0.6525	0.1262	0.0954	1.1641	0.29	0.7305	0.1200	1.1405
2019	0.29	0.6525	0.1500	0.0954	1.1879	0.29	0.7305	0.1466	1.1671
2020	0.29	0.6327	0.1430	0.0922	1.1579	0.29	0.7305	0.1466	1.1671
2021	0.29	0.6327	0.1430	0.0922	1.1579	0.29	0.7305	0.1466	1.1671
2022	0.31	0.6327	0.1500	0.0922	1.1849	0.31	0.7305	0.1466	1.1871
2023	0.31	0.6327	0.1500	0.0922	1.1849	0.31	0.7305	0.1466	1.1871
2024	0.31	0.5000	0.1500	0.0703	1.0303	0.31	0.7305	0.1466	1.1871

Source: Randolph and Guilford County Finance Departments.  
The majority of Archdale is in Randolph County.

**CITY OF ARCHDALE, NORTH CAROLINA**

Principal Taxpayers For the Year  
Fiscal Years Ended June 30, 2024 and 2015

<u>Taxpayer</u>	<u>Type of Enterprise</u>	<u>Fiscal Year 2024</u>	
		<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Sealy Inc.	Mattress Manufacturer	\$ 32,694,965	2.11%
Hafele America Co	Architectural Hardware Manufacturer	29,635,171	1.92%
J L Darr & Son	Real Estate Developer/Contractor	23,998,463	1.55%
Thomas Built Buses	Bus Manufacturer	19,869,216	1.28%
PC NC Brookwood LLC	Property Management/Rental	14,425,460	0.93%
Daly GC INC	Hotel Developer/Management	10,411,076	0.67%
Duke Energy Carolinas LLC	Utility	9,408,661	0.61%
PST Properties	Property Management/Rental	7,843,220	0.51%
Packaging Corp		7,791,632	0.50%
United Furniture Industries	Furniture Manufacturer	6,964,402	0.45%
Total		<u>\$ 163,042,266</u>	10.54%

<u>Taxpayer</u>	<u>Type of Enterprise</u>	<u>Fiscal Year 2015</u>	
		<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Sealy Inc.	Mattress Manufacturer	\$ 28,357,147	3.03%
J L Darr & Son	Real Estate Developer/Contractor	15,453,399	1.65%
Thomas Built Buses	Bus Manufacturer	11,589,244	1.24%
Hafele America Co	Architectural Hardware Manufacturer	11,435,295	1.22%
BMA Brookwood Apartments LLC	Property Management/Rental	9,640,554	1.03%
Daly GC, Inc.	Hotel Developer/Management	8,029,213	0.86%
Alexandra Holdings, Inc.	Real Estate Developer/Management	5,582,589	0.60%
North State Telephone	Communications	5,409,354	0.58%
Walker, Billy R Trust	Real Estate Developer/Contractor	5,290,474	0.57%
United Furniture Industries NC	Furniture Manufacturer	4,457,734	0.48%
Total		<u>\$ 105,245,003</u>	10.80%

Source: Randolph County Tax Department

**CITY OF ARCHDALE, NORTH CAROLINA**  
Property Tax Levies and Collections  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Net Tax Levy</b>	<b>Collection within the Fiscal Year of Levy</b>		<b>Collection in Subsequent Years</b>	<b>Total Tax Collections</b>	<b>Total Tax Collections to Net Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>
		<b>Amount</b>	<b>Percent</b>				
2015	\$ 2,714,299	\$ 2,703,831	99.61%	\$ 10,115	\$ 2,713,946	99.99%	\$ 353
2016	\$ 2,751,528	\$ 2,743,898	99.72%	\$ 7,135	\$ 2,751,033	99.97%	\$ 495
2017	\$ 2,793,767	\$ 2,785,319	99.70%	\$ 7,432	\$ 2,792,751	99.96%	\$ 1,016
2018	\$ 2,878,704	\$ 2,869,950	99.70%	\$ 7,495	\$ 2,877,445	99.94%	\$ 1,259
2019	\$ 2,942,226	\$ 2,924,573	99.40%	\$ 15,942	\$ 2,940,515	99.91%	\$ 1,711
2020	\$ 3,120,385	\$ 3,101,190	99.38%	\$ 17,350	\$ 3,118,540	99.80%	\$ 1,845
2021	\$ 3,172,824	\$ 3,154,434	99.42%	\$ 15,572	\$ 3,170,006	99.42%	\$ 2,818
2022	\$ 3,412,779	\$ 3,393,017	99.42%	\$ 16,691	\$ 3,409,708	99.91%	\$ 3,071
2023	\$ 3,589,446	\$ 3,552,755	98.98%	\$ 19,349	\$ 3,572,104	99.52%	\$ 17,342
2024	\$ 4,793,501	\$ 4,768,617	99.48%	N/A	\$ 4,768,617	99.48%	\$ 24,884

Source: City of Archdale audited financial statements.

City of Archdale property taxes are collected by the Randolph County and Guilford County Tax Departments.

Net Tax Levy shown above includes taxes levied on all property.

On average, 99.48% of the net levy on property is collected in the current year.

**CITY OF ARCHDALE, NORTH CAROLINA**  
 Computation of Legal Debt Margin and Actual Debt  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>Legal Debt Limit</b>	<b>Direct Debt</b>	<b>Legal Debt Margin</b>	<b>Ratio of Outstanding Debt to Debt Limit</b>
2015	935,965,214	74,877,217	9,908,705	64,968,512	13.233%
2016	948,802,583	75,904,207	8,958,202	66,946,005	11.802%
2017	963,368,200	77,069,456	8,000,811	69,068,645	10.381%
2018	992,656,552	79,412,524	7,036,339	72,376,185	8.860%
2019	1,014,560,690	81,164,855	4,757,577	76,407,278	5.862%
2020	1,075,994,828	86,079,586	3,883,608	82,195,978	4.512%
2021	1,094,077,241	87,526,179	5,281,787	82,244,392	6.035%
2022	1,100,896,452	88,071,716	4,683,856	83,387,860	5.318%
2023	1,157,885,806	92,630,864	4,414,625	88,216,239	4.766%
2024	1,546,290,645	123,703,252	3,961,447	119,741,805	3.202%

Under North Carolina General Statutes, the net debt of the City is not to exceed eight percent (8%) of the assessed value of property subject of taxation by the City. All debt issued for Archdale's governmental activities has been installment contract financing, where the financed asset is collateral for the debt.

Includes City-wide debt balances.

At June 30, 2024 outstanding debt in governmental activities consists of installment purchases for \$78,175 and IT subscription liabilities totaling \$269,524.

Outstanding debt in business-type activities consists of IT subscription liabilities of \$65,399 and interlocal agreements in the water and sewer fund totaling \$3,548,349.

**CITY OF ARCHDALE, NORTH CAROLINA**  
 Computation of Direct and Overlapping Governmental Activities Debt  
 June 30, 2024

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to Archdale</u>	<u>Amount Applicable to Archdale</u>
<b>Randolph County</b>			
Installment financing debt	121,993,367		
Notes payable	13,566,667		
Leases payable	294,988		
IT subscription liability	676,187		
Total direct debt	<u>136,531,209</u>	8.65%	\$ 11,808,106
<b>Guilford County</b>			
General obligation bonds	691,905,000		
Unamortized bond premium	76,345,657		
Limited obligation bonds	16,845,000		
Installment financing debt	3,841,000		
Leases payable	1,599,122		
IT subscription liability	467,997		
Total direct debt	<u>791,003,776</u>	0.06%	<u>465,903</u>
Subtotal, overlapping debt			12,274,009
<b>City of Archdale</b>			
Note payable	78,175		
IT subscription liability	269,524		
	<u>347,699</u>		<u>347,699</u>
Total direct and overlapping debt			<u>\$ 12,621,708</u>

Sources: Outstanding debt and assessed value data provided by each governmental unit. Includes all governmental activities debt. Residents and businesses located within the City of Archdale boundaries are also in Randolph or Guilford County. Some businesses may extend into both counties. The purpose of this schedule is recognize that the entire debt burden borne by the residents and businesses should be taken into account when calculating the government's ability to issue and repay long-term debt.

The percentage of overlapping debt applicable to the City of Archdale is estimated using taxable assessed value information. Property tax is the largest governmental activities revenue source for these units and the rates are adopted by the governing boards in their annual budgets.

**CITY OF ARCHDALE, NORTH CAROLINA**  
 Outstanding Debt Ratios  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government Debt	Ratio of Outstanding Debt to Personal Income	Total Outstanding Debt per Capita
	Direct Debt	SBITA	Agreements and Installment Financing	SBITA			
2015	1,728,070	-	8,180,635	-	9,908,705	2.48%	836
2016	1,622,807	-	7,335,395	-	8,958,202	2.19%	749
2017	1,517,543	-	6,483,268	-	8,000,811	1.85%	661
2018	1,412,280	-	5,624,059	-	7,036,339	1.56%	581
2019	-	-	4,757,577	-	4,757,577	1.00%	391
2020	-	-	3,883,608	-	3,883,608	0.76%	316
2021	-	-	5,281,787	-	5,281,787	0.96%	443
2022	-	-	4,683,856	-	4,683,856	0.83%	389
2023	75,276	266,559	3,977,949	94,841	4,414,625	0.79%	368
2024	78,175	269,524	3,548,349	65,399	3,961,447	0.71%	331

Population data is shown on the Demographic Statistics schedule.

Personal income was determined by multiplying population by per capita income, as shown on the Demographic Statistics schedule.

Percentages for 2023 and 2024 were calculated using personal income amounts for 2022, the last year data is available.

**CITY OF ARCHDALE, NORTH CAROLINA**

Demographic Statistics

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Archdale Population (1)</b>	<b>Randolph County, NC Population (2)</b>	<b>Total Personal Income (2) (Thousands of Dollars)</b>	<b>Randolph County, NC Per Capita Income (2)</b>	<b>Randolph County, NC Unemployment Rate (3)</b>	<b>Archdale-Trinity Public School Enrollment (4)</b>
2015	11,852	142,474	4,796,344	33,665	5.6%	4,892
2016	11,954	142,954	4,902,155	34,292	4.9%	4,869
2017	12,105	142,853	5,094,257	35,661	4.4%	4,790
2018	12,105	142,996	5,319,122	37,198	3.8%	4,707
2019	12,168	143,274	5,609,798	39,154	3.8%	4,591
2020	12,278	144,418	6,013,708	41,641	7.2%	4,556
2021	11,923	145,109	6,679,473	46,031	4.8%	4,359
2022	12,027	146,043	6,827,173	46,748	3.7%	4,303
2023	11,985	(5)	(5)	(5)	3.6%	4,507
2024	11,985	(5)	(5)	(5)	4.3%	4,596

- Source:
- (1) NC Dept. of Revenue, Local Government Division Distribution Unit (June)
  - (1) Office of State Budget and Management for the State of North Carolina April 1, 2020 Census Count is 11,913.
  - (2) Bureau of Economic Analysis, U.S. Department of Commerce Randolph County N.C. Data
  - (3) Bureau of Labor Statistics, Labor Force Data by County, Annual Averages  
The NC Dept. of Commerce reports the July 2024 unemployment rate, not seasonally adjusted, is 4.5%.
  - (4) Randolph County School Administration Average School Membership by Grade
  - (5) Information is unavailable.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Principal Employers For the Year  
Fiscal Years Ended June 30, 2024 and 2015

<b>Fiscal Year 2024</b>			
<b>Employer</b>	<b>Type of Enterprise</b>	<b>Number of Employees</b>	<b>Percentage of Randolph County Total Employment</b>
Thomas Built Buses	Bus Manufacturer	1,700 *	2.619%
Sealy, Inc.	Mattress Manufacturer	380	0.585%
Ace/Avant Concrete Construction Co., Inc.	Concrete Construction	375	0.578%
Hafele America Company	Architectural Hardware Manufacturer	261	0.402%
Hubbell Industrial Controls, Inc	Industrial Controls Equipment	181	0.279%
Dar/Ran Furniture Industries, Inc.	Furniture Manufacturer	162	0.250%
Stickley Fine Upholstery	Furniture Manufacturer	160	0.246%
Future Foam, Inc	Foam Fabricatons	150	0.231%
Hendrix Batting Company, Inc	Cotton batting	140	0.216%
Randolph County School System	Public School System	140 **	0.216%

<b>Fiscal Year 2015</b>			
<b>Employer</b>	<b>Type of Enterprise</b>	<b>Number of Employees</b>	<b>Percentage of Randolph County Total Employment</b>
Thomas Built Buses	Bus Manufacturer	940 *	1.461%
United Furniture of NC, LLC	Furniture Manufacturer	500 *	0.777%
Sealy, Inc.	Mattress Manufacturer	270	0.420%
Ace/Avant Concrete Construction Co., Inc.	Concrete Construction	240	0.373%
Hafele America Company	Architectural Hardware Manufacturer	200	0.311%
Hendrix Batting Company, Inc.	Cotton Batting Manufacturer	160	0.249%
Stickley Fine Upholstery	Furniture Manufacturer	160	0.249%
Hubbell Industrial Controls, Inc.	Commercial Equipment	155	0.241%
Dar/Ran Furniture Industries, Inc.	Furniture Manufacturer	135	0.210%
Wayne Industries, Inc.	Furniture Manufacturer	117	0.182%

Information for 2024 Principal Employers provided by Randolph County Economic Development Corporation (RCEDC).  
Information on Randolph County's total employment data obtained from the NC Department of Commerce Labor and Economic Analysis Division.

\* Thomas Built Buses is partially located in High Point and United Furniture Co. was partially located in Trinity.

\*\* Information for 3 elementary schools located within Archdale city limits. 202 RCS employee numbers include full-time employees only.

RCEDC reports the approximate number of employees in Archdale's industrial base is 4,736.

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019
<b>Public Safety:</b>					
Calls for Service	13,340	12,633	13,426	12,855	12,570
Traffic Accidents	497	531	521	522	523
Vice/Narcotic Calls	72	71	164	208	158
Animal Control Calls	720	617	553	562	720
<b>Planning &amp; Zoning:</b>					
Zoning Permits Issued	101	110	78	113	78
Complaints Investigated	109	149	186	128	257
Zoning Cases Prepared	11	15	28	11	12
<b>Public Works:</b>					
Leaf & Limb Pick-Up	Yes	Yes	Yes	Yes	Yes
<b>Culture and Recreation:</b>					
Summer Camp Participants	80	95	155	111	119
Youth Athletic Program Participants	795	768	754	789	770
Adult Athletic Program Participants	145	140	185	262	260
After School Program Participants	38	52	64	53	66
Senior Adult Participants	102	100	308	327	373
<b>Utility System:</b>					
Number of Water Accounts Billed - June	4,800	4,856	4,889	4,937	4,956
Gallons of Water Billed	255,853,844	245,930,570	246,531,294	246,538,860	258,433,555
Sewer Treatment Gallons	347,241,401	402,390,122	357,753,810	333,062,023	457,548,961

	2020	2021	2022	2023	2024
<b>Public Safety:</b>					
Calls for Service	12,922	11,673	14,509	12,425	10,882
Traffic Accidents	449	495	459	534	520
Vice/Narcotic Calls	135	130	145	109	87
Animal Control Calls	557	521	565	609	596
<b>Planning &amp; Zoning:</b>					
Zoning Permits Issued	145	118	115	66	144
Complaints Investigated	248	246	245	202	287
Zoning Cases Prepared	19	16	16	24	15
<b>Public Works:</b>					
Leaf & Limb Pick-Up	Yes	Yes	Yes	Yes	Yes
<b>Culture and Recreation:</b>					
Summer Camp Participants	75	74	99	110	135
Youth Athletic Program Participants	600	535	855	1,313	1,541
Adult Athletic Program Participants	250	221	265	220	327
After School Program Participants	71	58	56	63	75
Senior Adult Participants	231	50	250	250	250
<b>Utility System:</b>					
Number of Water Accounts Billed - June	4,836	4,915	4,931	4,950	5,075
Gallons of Water Billed	251,438,139	251,532,674	255,272,130	252,719,956	253,170,638
Sewer Treatment Gallons	396,259,174	410,242,792	347,975,686	364,976,096	352,299,525

Sources: City Departments.

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Full-Time City Government Employees by Function**  
**Last Ten Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	15	15.5	17	17	17
Public Safety:					
Sworn Officers	25	25	25	25	25
Civilian	6	6	6	6	6
Public Works	5	3.5	4.5	4.5	4.5
Cultural & Recreation	6	6	6	6	6
General Fund	57	56	58.5	58.5	58.5
Enterprise Fund	10	11	10.5	10.5	10.5
City Total	<u>67</u>	<u>67</u>	<u>69</u>	<u>69</u>	<u>69</u>

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government	17	17	17	18	19
Public Safety:					
Sworn Officers	25	26	30	30	30
Civilian	6	6	6	6	6
Public Works	3	4	3	3	3
Cultural & Recreation	6	6	6	6	6
General Fund	57	59	62	63	64
Enterprise Fund	12	12	13	13	13
City Total	<u>69</u>	<u>71</u>	<u>75</u>	<u>76</u>	<u>77</u>

Source: City of Archdale budget.

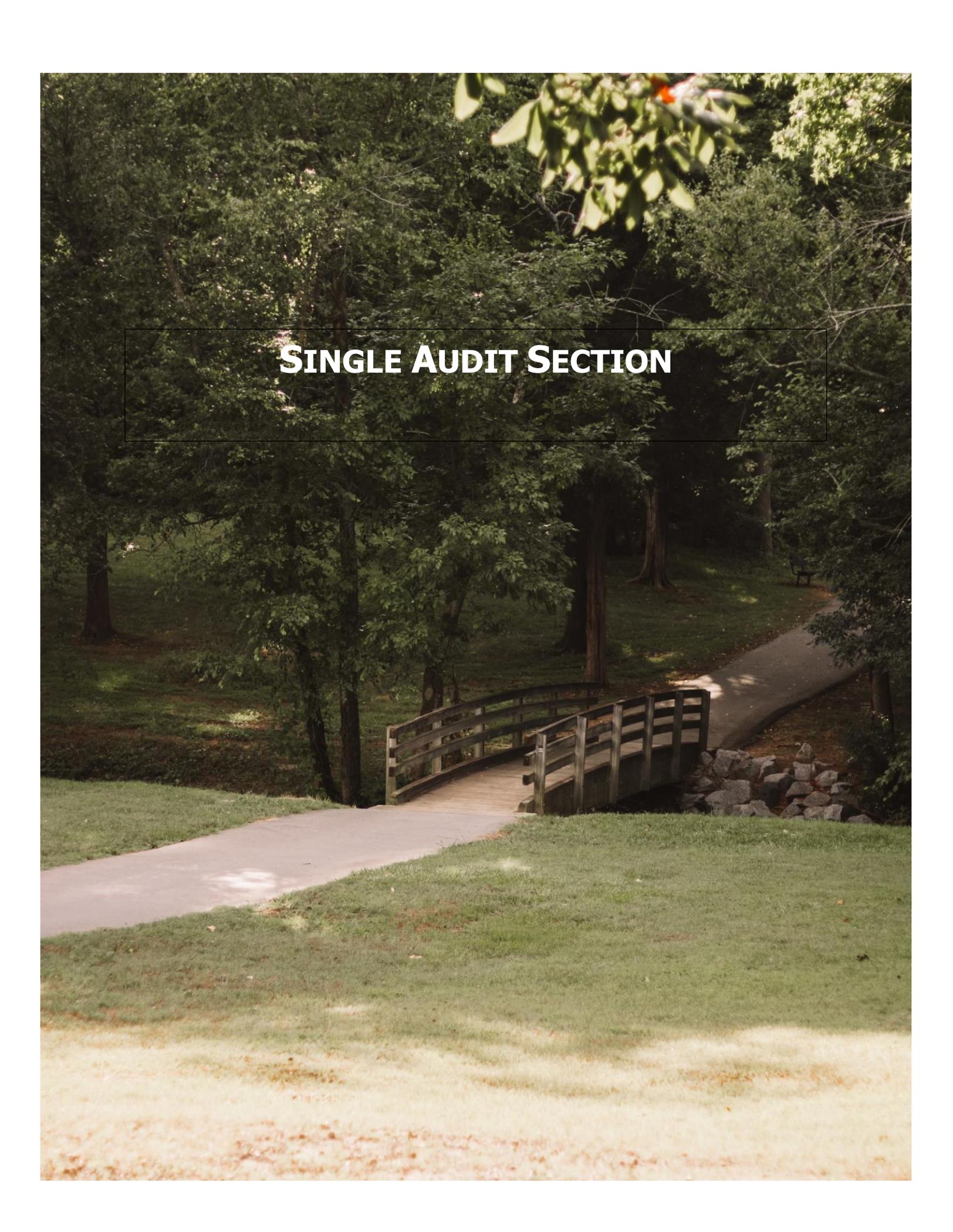
This schedule includes only regular employees that work 30 or more hours per week on a continuous basis. In addition, there are many seasonal part-time employees for summer camp and after-school care in the cultural and recreation service area.

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Municipal Facilities:	8	8	8	9	9
Public Safety:					
Police Vehicles	27	31	32	30	30
Public Works:					
Streets (Miles-Paved)	50.98	51.82	53.37	53.37	53.37
Streets (Miles-Unpaved)	1.24	1.24	1.24	1.32	1.32
Sidewalks (Linear Feet)	38,579	39,369	43,466	43,510	43,510
Culture and Recreation:					
Park Acreage	101.0	101.0	101.0	101.0	101.4
Tennis Courts	4	4	4	4	4
Ball Fields	6	6	6	6	6
Playgrounds	3	3	3	3	3
Sand Volleyball Courts			-	-	2
Outdoor Basketball Courts			-	-	-
Picnic Shelters	2	2	2	2	5
Greenways (Linear Feet)	13,834	17,156	17,448	17,448	17,448
Utility System:					
Pump Stations	9	10	10	10	10

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Municipal Facilities:	9	9	10	10	10
Public Safety:					
Police Vehicles	30	35	37	43	42
Public Works:					
Streets (Miles-Paved)	53.37	53.37	50.69	50.69	51.63
Streets (Miles-Unpaved)	1.32	1.32	1.32	1.32	1.32
Sidewalks (Linear Feet)	44,334	44,334	44,334	44,334	47,788
Culture and Recreation:					
Park Acreage (1)	106.3	106.3	112.7	114.3	114.3
Tennis Courts	4	4	4	4	4
Ball Fields	6	3	5	5	5
Playgrounds	2	2	2	2	2
Sand Volleyball Courts	2	2	2	2	2
Outdoor Basketball Courts	1	1	1	1	1
Picnic Shelters	5	6	6	6	6
Greenways (Linear Feet)	17,448	17,448	17,448	19,765	19,838
Utility System:					
Pump Stations	10	10	10	10	10

Sources: City Departments.  
Miles of Streets from Powell Bill Reports.  
(1) GIS Recalculation of Park Acreage in 2020.

A photograph of a park path with a wooden bridge crossing a stream, surrounded by lush green trees and grass. The path is paved and leads to a wooden bridge with railings. The bridge crosses a small stream or ditch. The surrounding area is filled with dense green trees and grass. The text "SINGLE AUDIT SECTION" is overlaid on the image in a white box.

**SINGLE AUDIT SECTION**



# MARTIN STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

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

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

To the Honorable Mayor and  
Members of the City Council  
City of Archdale, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Archdale, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Archdale's basic financial statements, and have issued our report thereon dated October 31, 2024.

### **Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 31, 2024

# MARTIN STARNES

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## & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

### **Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

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

To the Honorable Mayor and  
Members of the City Council  
City of Archdale, North Carolina

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

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

We have audited the City of Archdale, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City of Archdale's major state programs for the year ended June 30, 2024. The City of Archdale's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Archdale complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, 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 City of Archdale's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Archdale's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City of Archdale's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable

possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 31, 2024



**CITY OF ARCHDALE, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**1. Summary of Auditor's Results**

**Financial Statements**

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

Internal control over financial reporting:

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

Non-compliance material to financial statements noted? No

**State Awards**

Internal control over state programs:

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

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

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

Identification of major state programs:

**Program Name**

Powell Bill

Auditee qualified as low-risk auditee? Yes

**CITY OF ARCHDALE, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**2. Findings Related to the Audit of the Basic Financial Statements**

None reported.

**3. State Award Findings and Questioned Costs**

None reported.

**CITY OF ARCHDALE, NORTH CAROLINA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

None reported

**CITY OF ARCHDALE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2024

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State Pass-Through Grantor's Number	Federal Expenditures (Direct and Passed Through)	State Expenditures (Direct and Passed Through)	Pass-Through to Subrecipients
<b>Federal Grants:</b>					
<b><u>U.S. Department of Justice</u></b>					
Equitable Sharing Program	16.922		\$ 58,081	\$ -	\$ -
<b>State Grants:</b>					
<b><u>N.C. Department of Natural and Cultural Resources</u></b>					
Division of Parks and Recreation					
Parks & Recreation Trust Fund			-	73,512	-
<b><u>N.C. Department of Transportation</u></b>					
Powell Bill			-	347,033	-
<b><u>N.C. Office of State Budget and Management</u></b>					
State Construction and Infrastructure Fund (SCIF) Grant - Public Works Shelter		10031	-	175,785	-
State Construction and Infrastructure Fund (SCIF) Grant - Greenway Expansion		10032	-	35,560	-
Total State Construction and Infrastructure Fund (SCIF) Grant				<u>211,345</u>	<u>-</u>
Total assistance			<u>\$ 58,081</u>	<u>\$ 631,890</u>	<u>\$ -</u>

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

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of the City of Archdale under the programs of the federal government and the state of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Archdale, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Archdale.

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Indirect Cost Rate**

The City of Archdale has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.