

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



*CITY OF ARCHDALE*  
NORTH CAROLINA

**FISCAL YEAR ENDING  
JUNE 30, 2025**



**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

December 17, 2025

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, 2025. 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, 2025. 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 six 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, 2025 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 evaluating 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, 2025, 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 was 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 world's largest natural habitat zoo. 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 Structural Building Solutions, 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, and Stickley Furniture.

Creekside Park, a 105+/- acre regional park serving the northwestern portion of Randolph County, is the heart of recreation in Archdale. 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. The triad educational institutions are innovating their programs, creating specialized training to directly support the influx of high-tech manufacturing companies' demand for skilled workers.

## 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, seasonal leaf collection, 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. In addition, there are more active opportunities to be involved through service on appointed boards and commissions.

## 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. 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. The local transportation infrastructure is enhanced with rail connectivity to major ports.

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. As of June 2025, the \$14 billion plant is still under construction. There are currently 2,000 employees working there. Batteries for electric vehicles are being shipped to Toyota's assembly plant in Alabama, where they are installed in Corolla Cross Hybrids. The Toyota electric vehicle battery plant will employ more than 5,000 people when it is fully operational.

Piedmont Triad International (PTI) Airport in Greensboro hosts a 1,000-acre mega site for high-profile aerospace companies such as Boom Supersonic, Hondajet and Marshall Aerospace. In June 2025, JetZero announced it will establish its first US manufacturing plant at PTI. JetZero is expected to invest \$4.7 billion in a manufacturing facility for next generation sustainable commercial aircraft, with construction to begin in 2026. The company is expected to add 14,500 jobs to the area. PTI is planning facility upgrades and expansion to meet the expected increase in demand for travel from the 20,000 people moving to the community

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 Building Solutions 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.

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.

City Council approved the annexation of land located at Cecil Farm Road. Rezoning of the land was also approved to be used by Kersey Valley Adventures for outdoor adventure recreation.

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 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.

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 2026 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.

Maintaining the City's water distribution and wastewater 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. An AIA on the water distribution system is nearing completion. The project studied the age and condition of the water lines. The City will receive risk analysis results of the water lines from the study. 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. The City was notified in July of 2025 that it was awarded another AIA grant for the wastewater system. The project will help complete a GIS database deliverable of the wastewater system, create a condition assessment and risk analysis of the wastewater system, and work on an asset management plan for the wastewater system.

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.

A Recreation Needs Assessment is underway to guide the future investment in the Creekside Recreation Center. This process will help determine how to best meet the needs of the community and provide a framework for facility 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 includes City-owned lighting, power boxes, and underground utilities.

The City was awarded a \$143,250 grant through the North Carolina Great Trails State Program for the design and engineering of the Hope Valley Road Trail Extension. The trail extension will serve as a key link in future connectivity goals and aligns with local and regional efforts to promote outdoor activity and healthy living.

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 an initial 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. The funds will be used in conjunction with the \$3,600,000 ARPA funding for two sewer line replacements. The City will report to the North Carolina Office of State Budget and Management for the duration of these projects.

## 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. Expenditure 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), the North Carolina State Capital and Infrastructure (SCIF) budget appropriations and the American Rescue Plan Act passed through the N.C. Department of environmental Quality. 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's 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 \$11,000,000 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. Capital assets for enterprise funds, including encumbrances rolling forward for the prior fiscal year, total \$673,900.

A multi-year project fund 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 was 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, 2024. 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.

#### CONCLUSION

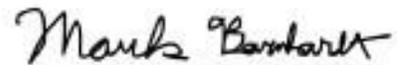
As the City of Archdale continues to grow and evolve, we remain committed to maintaining the high standards of service and quality of life our residents expect and deserve. Our focus on strategic investments in infrastructure, public safety, and community amenities ensures that Archdale is well-positioned 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, 2024

*Christopher P. Morill*

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

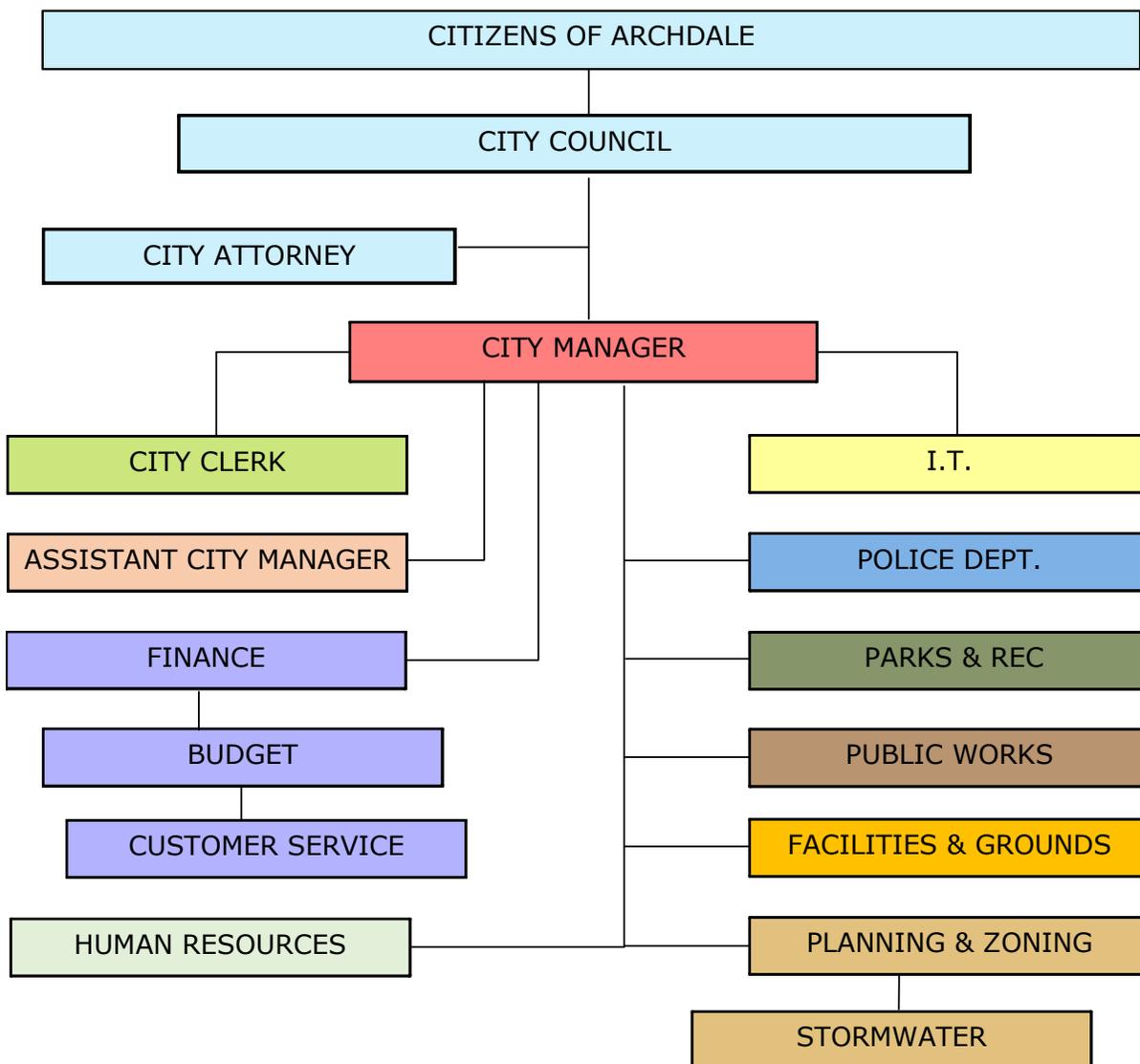


Kelly  
Grooms  
At Large  
Mayor Pro-Tem



William  
Wood  
At Large

- Matthew Christian ..... City Manager
- Beth Koonce ..... City Attorney
- Susan Swaim ..... Assistant City Manager
- Amy Myers ..... 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**





## ***FINANCIAL SECTION***

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





# MARTIN STARNES & 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 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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As discussed in Note VI to the financial statements, in 2025 the City of Archdale adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter

### ***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 misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025 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  
December 17, 2025

# CITY OF ARCHDALE

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2025

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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, 2025. 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 \$81,356,228 (net position).
- The government's total net position increased by \$6,753,500 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. The PARTF projects are still in the planning phase. The SCIF fund is nearing completion, but no expenditure was reported for the fiscal year ended 2025.
- Net position in the business-type activities increased by \$3,098,675, almost all of it attributable to the Water and Sewer Fund. Developer contribution of water and sewer lines was a significant part of the increase. In addition, some capital improvements budgeted for pump stations were not made. Pump station maintenance, wastewater treatment, and professional and contract services were the other 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 \$23,528,465, an increase of \$2,575,894 in comparison with the prior year. Eighty-six percent of this total amount, or \$20,150,809 is available for spending at the government's discretion. As further discussed in this MD&A, the increase is primarily due to slightly increased revenues and spending less than budgeted.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$5,088,077 or twenty-three percent of total general fund expenditure for the fiscal year.
- The fund balance for the General Fund includes \$720,484 assigned by the City Council to be used for possible future economic development incentives and \$11,000,000 assigned for capital expenditures.

#### Overview of the Financial Statements

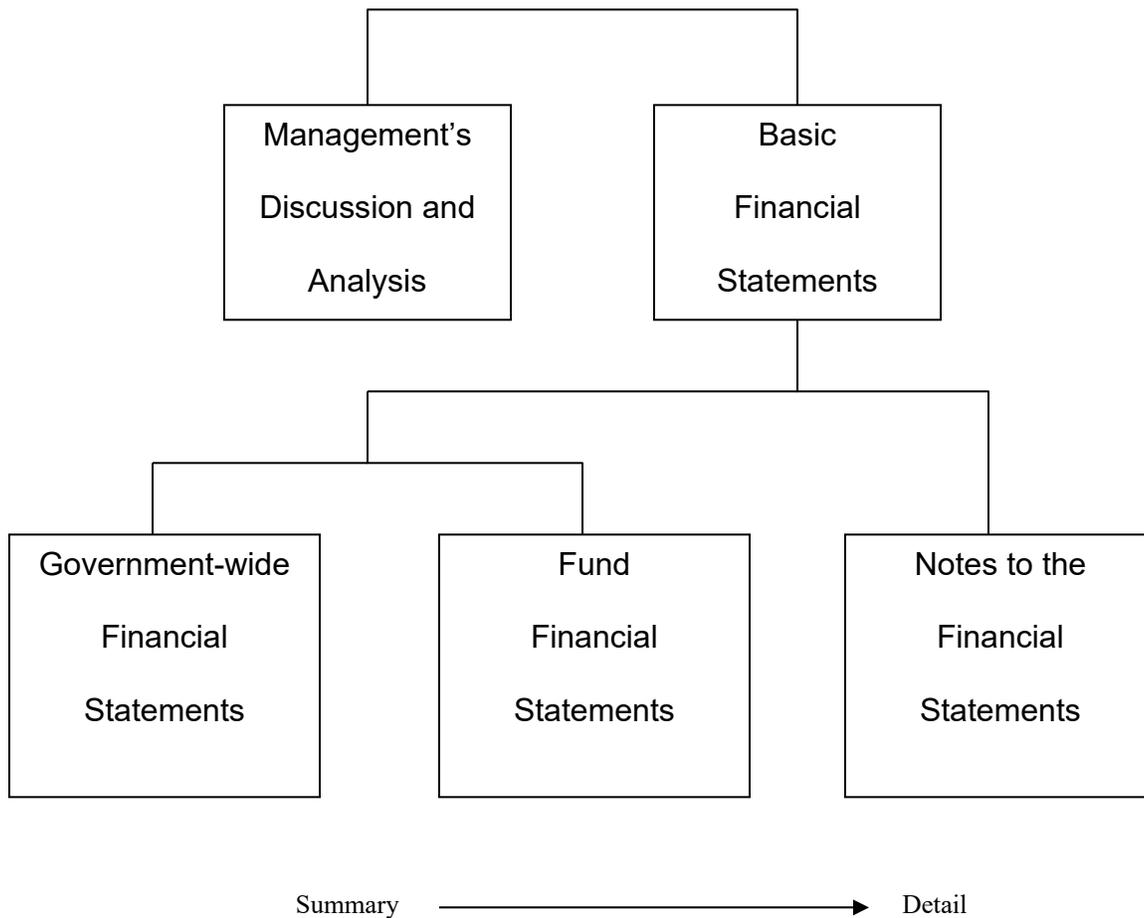
This discussion and analysis are intended to serve as an introduction to City of Archdale's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see 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, 2025**

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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 Ended June 30, 2025**

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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 on 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, 2025**

**Fiduciary Fund** – The City established an irrevocable trust in May 2019. The City is the trustee, or fiduciary, for its Archdale LEOSA 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	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 24,648,675	\$ 22,183,405	\$ 15,021,580	\$ 13,796,124	\$ 39,670,255	\$ 35,979,529
Capital and other non-current assets	23,198,268	22,125,125	26,284,176	24,726,753	49,482,444	46,851,878
Total assets	47,846,943	44,308,530	41,305,756	38,522,877	89,152,699	82,831,407
Deferred outflows of resources	1,702,003	1,935,331	288,418	336,332	1,990,421	2,271,663
Long-term liabilities outstanding	1,360,840	3,624,512	1,235,974	3,726,865	2,596,814	7,351,377
Other liabilities	3,488,935	1,472,384	3,271,980	1,098,420	6,760,915	2,570,804
Total liabilities	4,849,775	5,096,896	4,507,954	4,825,285	9,357,729	9,922,181
Deferred inflows of resources	363,708	360,187	65,455	94,523	429,163	454,710
Net position:						
Net investment in capital assets	22,997,860	21,777,426	23,081,724	21,113,005	46,079,584	42,890,431
Restricted	3,362,605	5,022,326	242,123	154,437	3,604,728	5,176,763
Unrestricted	17,974,998	13,987,026	13,696,918	12,671,959	31,671,916	26,658,985
Total net position	\$ 44,335,463	\$ 40,786,778	\$ 37,020,765	\$ 33,939,401	\$ 81,356,228	\$ 74,726,179

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 \$81,356,228 as of June 30, 2025. The City’s net position increased by \$6,753,500 for the fiscal year ended June 30, 2025. 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

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

Archdale's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$31,671,916 is unrestricted.

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

**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,583,928	\$ 1,507,621	\$ 5,529,408	\$ 5,330,902	\$ 7,113,336	\$ 6,838,523
Operating grants and contributions	1,140,175	701,350	183,400	-	1,323,575	701,350
Capital grants and contributions	1,574,396	1,955,237	2,993,970	933,175	4,568,366	2,888,412
General revenues:						
Taxes	4,887,517	4,737,877	-	-	4,887,517	4,737,877
Grants and contributions not restricted to specific programs	5,514,625	5,253,085	-	-	5,514,625	5,253,085
Unrestricted investment earnings	917,883	922,843	613,960	615,903	1,531,843	1,538,746
Other	71,111	43,765	-	-	71,111	43,765
<b>Total revenues</b>	<b>15,689,635</b>	<b>15,121,778</b>	<b>9,320,738</b>	<b>6,879,980</b>	<b>25,010,373</b>	<b>22,001,758</b>
<b>Expenses:</b>						
General government	2,945,519	2,442,302	-	-	2,945,519	2,442,302
Public safety	4,509,885	3,772,428	-	-	4,509,885	3,772,428
Transportation	1,453,515	1,087,187	-	-	1,453,515	1,087,187
Environmental protection	1,129,671	1,068,375	-	-	1,129,671	1,068,375
Cultural and recreation	1,811,214	1,623,637	-	-	1,811,214	1,623,637
Community promotions	179,251	91,545	-	-	179,251	91,545
Interest on long-term debt	5,755	5,966	-	-	5,755	5,966
Water and sewer	-	-	5,662,322	4,191,256	5,662,322	4,191,256
Stormwater	-	-	559,741	549,512	559,741	549,512
<b>Total expenses</b>	<b>12,034,810</b>	<b>10,091,440</b>	<b>6,222,063</b>	<b>4,740,768</b>	<b>18,256,873</b>	<b>14,832,208</b>
Increase in net position	3,654,825	5,030,338	3,098,675	2,139,212	6,753,500	7,169,550
Net position, beginning, as previously reported	40,786,778	35,756,440	33,939,401	31,800,189	74,726,179	67,556,629
Restatement-GASB 101 implementation	(106,140)	-	(17,311)	-	(123,451)	-
Net position, beginning, as restated	40,680,638	35,756,440	33,922,090	31,800,189	74,602,728	67,556,629
Net position, June 30	\$ 44,335,463	\$ 40,786,778	\$ 37,020,765	\$ 33,939,401	\$ 81,356,228	\$ 74,726,179

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

- Unrestricted cash increased by 10.4% to \$34,299,422.
  - The order of emphasis for cash balances is safety, liquidity, and yield. Government-wide unrestricted investment earnings of \$1,531,843 very nearly matched the amount earned in the prior year. Interest rates declined when the Federal Reserve began cutting rates in late 2024. Despite the lower interest rates the City maintained the same level of income because the unrestricted cash balances were higher.
  - ARPA revenue replacement funds have not been spent on the anticipated capital project.
  - Unrestricted cash in the governmental funds increased by \$2,327,231, or 12.4% over the prior fiscal year. Some reasons for the increase are listed in the discussion of the growth in net position of Governmental Activities.

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

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- The liability for compensated absences increased from the prior year in governmental funds. Increased wage rates following implementation of the pay and classification plan study was a factor in the increase. Additionally, there was an increase in the total number of hours accrued at the end of the year compared to the prior year. Payout of accrued vacation hours upon termination is capped at 180, with any excess converted to sick leave. Also, 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. Generally, employees use of sick leave is below the amount accrued within the year. The liability attributed to sick leave at June 30, 2025 increased 39% compared to the calculation as of June 30, 2024.

Despite the effect of increased wage rates, the liability for compensated absences decreased in the water sewer fund. The decrease in the water sewer fund was due primarily to payout of accrued leave to employees at termination. There are only three employees accounted for in the stormwater fund, and all three used more vacation hours than they earned in the year. However, the liability for compensated absences increased slightly for the stormwater fund due to the impact of sick leave balances.

- 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's net pension liability for LGERS decreased by \$200,589, of which 83% is allocated to governmental funds. The decrease in LGERS pensions liability is allocated \$23,445 to the water and sewer fund and \$10,358 to the stormwater fund. The liability as of June 30 is \$351,935 and \$155,492, respectively.
  - Investment return for the market value of assets for 2023 was (10.11%), which is above the expected return of 6.5%. Market value returns have exceeded expectations four times in the last five years.
  - Total covered payroll is increasing more quickly than expected due to higher than anticipated pay increases for the increasing active population. Reported compensation increased by 10.9% over the past year. The immediate effect on the December 31, 2023 actuarial valuation is a reduction in the funded ratio and an increase in required employer contribution rates compared to those previously anticipated.
  - An increase in retiree population is consistent with expectations. The 4.1% increase in active members results in more members accruing benefits in the System.
  - The City's share of the pension liability decreased from .04849% to .04467%.
  - 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 increased \$19,779 to \$244,600 and \$203,385 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 3.86% to 3.97% resulting in an inflow due to assumption changes.
  - The plan was amended to allow an employee with 30 years of LGERS service to be eligible for retiree OPEB benefits with 10 years of service with the City instead of 20 years. This amendment's impact on the Total OPEB Liability was recognized immediately in the OPEB expense.

**Governmental Activities:** Governmental activities increased the City's net position \$3,654,825, thereby accounting for 54% of the total growth in the net position of the City of Archdale. Key elements of this increase are as follows:

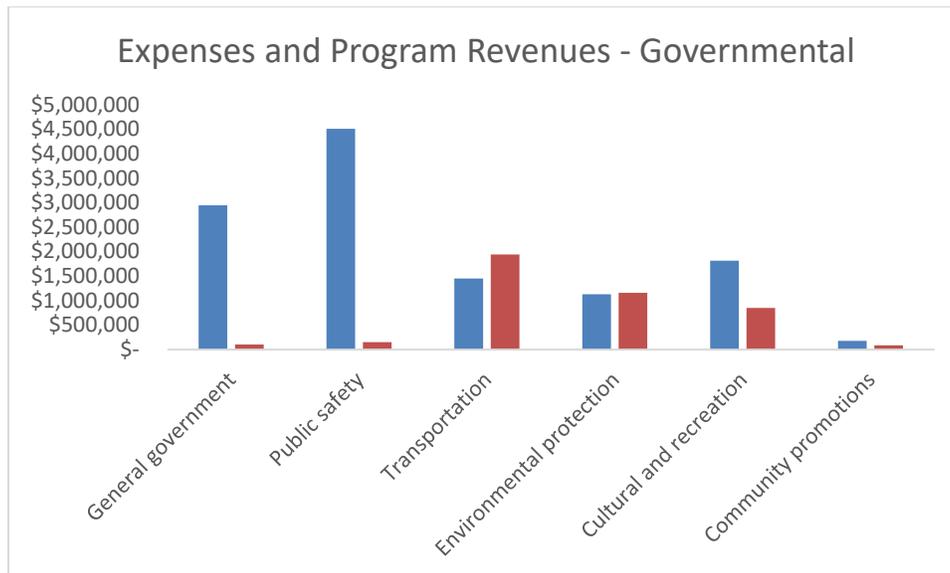
- Property tax revenue increased 3% over the prior year due to growth in the tax base. Included in this overall increase is a 5.6% increase for registered motor vehicles. Ad valorem revenue increased 33.9% in the prior fiscal year due to maintaining the same tax rate with the revaluation of assessed property in Randolph County.
- Sales tax revenue increased 4% by \$188,927 over the prior year. One of the stronger areas of increased consumer spending was in grocery stores. Since local sales tax applies to groceries in North Carolina, it contributes to the

**THE CITY OF ARCHDALE**  
**Management’s Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

general resilience of sales tax despite a national trend of waning consumer confidence and declining retail sales. In addition, inflationary pressures of higher prices mean higher taxes.

- Developer improvement funds in the amount of \$318,060 were released to the City when the developer did not perform required conditions per approved plan documents. These funds will be used by the City for development of a City park.
- Streets, sidewalks, and greenways constructed by private developers were added to the City’s infrastructure.

**Figure 4**



**Business-Type Activities:** Business-type activities increased the City of Archdale’s net position by \$3,098,675, accounting for 46% 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 decreased by \$158 to \$1,394,450.
- Net investment in capital assets in the stormwater fund decreased by \$75,963. A used truck was the only purchase to offset depreciation. 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, a mini excavator, a jet machine for clearing pipes, and other trucks, all with useful lives of six years.
- Net position in the water and sewer fund increased by \$3,098,833 to \$35,626,315.
- Net investment in capital assets increased by \$2,044,682.
  - The largest addition to assets was acceptance of sewer lines valued at \$2,792,000 constructed by the developer in a residential subdivision.
  - Depreciation and amortization expense totaled \$1,337,999 in the water and sewer fund. Depreciable assets are fifty percent depreciated. The City is in the engineering and design phase for some upgraded sewer lines.
  - The amount of debt related to capital assets was reduced by payments to principal.
- Charges for services in the water and sewer fund increased 4.6 %. Water and sewer rates increased by 4%.

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

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- Water treatment rights and wastewater treatment rights, along with related obligations, under interlocal agreements are recorded in the water and sewer fund.
- The favorable budget variance for wastewater treatment was all due to actual volume falling below expectations. Expectations are based on prior history as well as changes to the customer base. Inflow and infiltration can add volume during rainy years.
- 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. The City paid \$742,606 for its share of an outfall project and three smaller upgrades during the year. 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 \$1,924,810 and requiring annual debt service of \$169,414.
- 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.
- 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.

#### **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 \$5,088,077 with total fund balance of \$21,992,582. 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 44% of total general fund expenditures, while total fund balance represents 188% of that same amount.

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

- Approximately eighty six percent of general fund revenues come from the following four sources: property taxes (35.8%), local sales taxes (33.1%), sales and services (10.9%), and utility sales tax (5.1%).
- 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 \$13.40 a month to \$14.75 a month. The recycling cart collection fee increased from \$4.60 to \$5.25. The cost of sanitation services exceeded revenues by \$16,445 for the fiscal year 2025. For the sixth

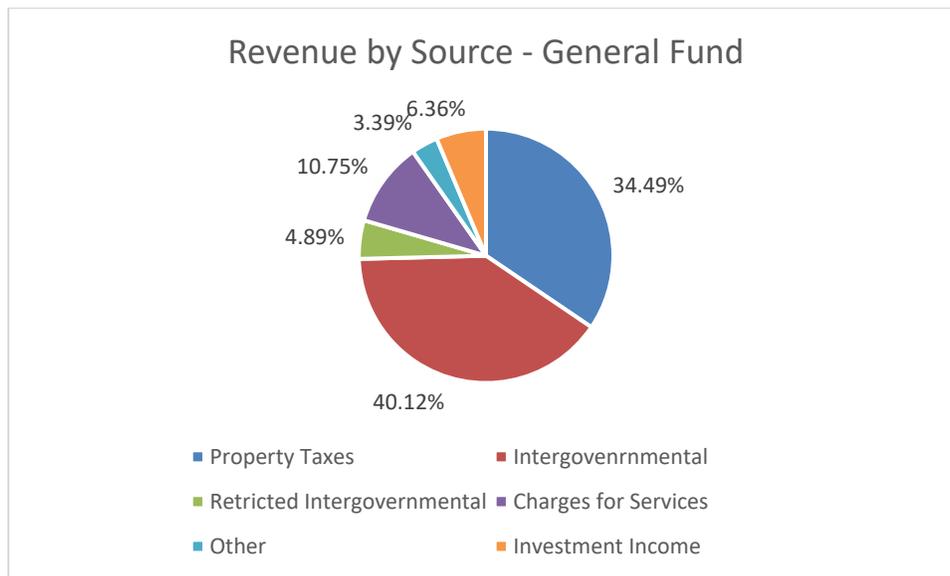
**THE CITY OF ARCHDALE**  
**Management’s Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

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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 \$77,260 in fiscal year 2025. Sales tax on electricity and gas increased by \$83,851 and \$3,281 respectively. Telecommunication and video programming services decreased. Sales tax on electricity and natural gas are based on the price and consumption; and consumption is tied directly to weather conditions. Electricity prices were elevated this year over much of the previous year.
- 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. An expansion of the baseball program comprised \$12, 459 of the \$16,255 increase in parks and recreation revenues.

**Figure 5**



- The City’s ARPA funds remain in fund balance assigned for capital. The City has plans for expansion of the recreation center at Creekside Park.
- 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 four percent.
- Actual expenditures were 66.6% of budgeted expenditures, which is fairly consistent with results in prior years. Several capital projects were budgeted but not started.
- Salary and payroll related benefits increased \$1,122,921 or 25.7% over prior fiscal year expenditures in the general fund. The City Council implemented the recommendations for salary increases from a pay and classification study effective the first full pay period in July 2024. The intent of the study was to maintain current salary distribution and offer market competitive salaries to attract and retain the best possible employees to serve Archdale citizens. There were 11 more positions filled by the end of the year than at the beginning of the year, including five in the police department. Eighty-six percent of the salary and related benefits budget was used.

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

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- 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 \$420,512, which is about \$39,334 more than last year's amount. Fund balance restricted for streets from Powell Bill funds increased by \$90,748 to \$778,880. 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 \$28,465 to \$419,076. The police department received revenue of \$103,812. Revenue for this program is not budgeted until it is received. The Archdale Police Department used \$66,776 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, special response team gear and 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, 2025 were made for the following reasons:

- Implementation of results of pay and classification study.
- Installation of HVAC BAS controls in five government buildings.
- Appropriate additional funds for increased cost of truck replacement. For Facilities & Grounds.
- Completion of the equipment shelter at the Public Works Facility.
- Repair of police vehicles and related insurance proceeds.
- Increased appropriation for downtown streetscape project and transfer the project from the Planning and Zoning Department to the Street Department.
- IT maintenance and software licensing
- Budget for revenue and expenditure activity for payment and reimbursement of sales and use tax.

**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 been awarded to help complete specific park areas. City funds totaling \$4,371,647 are budgeted to be transferred to the fund. Total expected cost to complete the park is \$5,204,647, 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. All projects were completed in prior years, except for \$32,729 for greenway expansion.

**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 \$12,544,589 and \$1,152,329 respectively.

The amendments to the Water and Sewer Fund budget for the fiscal year ended June 30, 2025 were made for the following reasons:

- Repair and disconnection of a water pipe leak under N. Main Street
- Professional services for grant application.
- Higher than anticipated costs from the City of High Point for the rehabilitation of a sewer outfall line connecting to the Eastside Wastewater Treatment Plant.

**THE CITY OF ARCHDALE**  
**Management’s Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

- Increase the revenue budget to account for reimbursement of the Asset Inventory and Assessment grant from the prior fiscal year.
- Update Archdale’s hydraulic model to map available water fire flows in partnership with Guil-Rand Fire Department.
- Transfer of funds from the Water and Sewer Fund to cover cash flow in the SFRF ARPA Sewer Project Fund.
- Professional services for a water service line inventory to meet EPA Lead and Copper rule revisions.

**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, 2025 totals \$49,482,444 (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:

- Completion of the equipment shelter at Public Works for vehicle and equipment storage.
- Demolition and land preparation cost associated with land purchased in the prior fiscal year.
- Additions to construction-in-progress are for park fencing materials and Aldridge Park projects.
- Ballfield lighting upgrades and an electronic message board for Creekside Park.
- Installation of light poles and power pedestals for the Bonnie Place streetscape project.
- Purchase of trucks for facilities and grounds, street, and police departments.
- Multi-functional passenger bus for Parks and Recreation.
- Mower replacements.
- Large format scanner and plotter for Planning and Zoning.
- Cameras, printers, network switches and other IT replacements for multiple locations.
- Communication consoles in the Police Department.
- Restricted funding was used by the Police Department to purchase a K9 officer and weapon enhancements.
- The City accepted streets, greenways, and utility lines constructed by a private developer.
- A water test kit, all-terrain vehicle, multifunction printer, network switches, and a sewer pump replacement from the water and sewer fund.
- A used leaf truck was purchased from another municipality for 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	
	2025	2024	2025	2024	2025	2024
Land, streets, and rights-of-way	\$ 8,735,016	\$ 8,765,196	\$ 412,191	\$ 413,119	\$ 9,147,207	\$ 9,178,315
Construction in progress	16,189	1,114,489	123,900	-	140,089	1,114,489
Water rights	-	-	6,448,795	6,666,099	6,448,795	6,666,099
Wastewater treatment rights	-	-	3,517,172	3,765,844	3,517,172	3,765,844
Streets and pedestrian paths	4,252,970	3,747,204	-	-	4,252,970	3,747,204
Buildings and systems	6,178,233	5,518,639	-	-	6,178,233	5,518,639
Improvements other than buildings	1,666,429	833,975	15,085	16,781	1,681,514	850,756
Equipment, vehicles, and furniture	2,102,064	1,761,679	1,629,904	1,897,305	3,731,968	3,658,984
Computer software	44,876	65,476	21	7,541	44,897	73,017
Water distribution system	-	-	3,801,505	2,353,827	3,801,505	2,353,827
Sewer collection system	-	-	10,285,124	9,518,733	10,285,124	9,518,733
Right-to-use IT subscriptions	202,491	318,467	50,479	87,504	252,970	405,971
<b>Total</b>	<b>\$ 23,198,268</b>	<b>\$ 22,125,125</b>	<b>\$ 26,284,176</b>	<b>\$ 24,726,753</b>	<b>\$ 49,482,444</b>	<b>\$ 46,851,878</b>

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

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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, 2025, the City of Archdale Water and Sewer Fund had total outstanding debt from interlocal agreements of \$3,110,689. These interlocal agreements are 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 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 \$127,448,129.

During fiscal year 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The standard requires governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is taken. The application of GASB 101 resulted in a restatement of \$106,140 and \$17,311 to the beginning net position of the governmental activities and business-type activities, respectively. As a result, amounts reported in Management's Discussion and Analysis for fiscal year 2025 are not comparable to those reported for fiscal year 2024, which have not been restated in the prior year's comparative information. See Note VI for additional information regarding the impact of this standard on the current year's financial statements.

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 June County and Area Employment Figures report the June 2025 unemployment rate for Randolph County was 3.9%, compared to 4.3% in June of last year. When compared to the same month last year, not seasonally adjusted unemployment rates increased in 56 counties, decreased in 22 and remained unchanged in 22.
- The Office of Budget and Management for the State of North Carolina reports Archdale's certified population estimate as of July 1, 2023 at 12,104, an increase of 121 from July 1, 2022.
- 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.
- New residential development is underway in Archdale. English Farm residential neighborhood will be the largest residential development in Archdale's history when completed. The development with plans for 103 townhomes and 433 single-family homes began development in 2023. New homes are currently available in the mid to upper \$300,000 range. The community will include greenway trails and an amenity center with an outdoor pool, clubhouse and recreational fields. Providence Pointe, a subdivision with plans for 293 single-family homes, is under development near Interstate 74 on the City's eastern fringes.
- 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.

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

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- 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 77.3% of market value on January 1<sup>st</sup>, 2025. 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.
- Archdale became a member of the AARP Network of Age-Friendly States and Communities in 2019. 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 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, health care, retail trade, or accommodation and food services. Other key industries include education, transportation and warehousing, construction, and professional, scientific and technical services.
- In 2025, North Carolina continued to be the ninth largest state in the nation by population. For 2024, North Carolina ranked seventh among all states in numeric growth as ranked by World Population Review, with links to census.gov. 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, 2026**

**Governmental Activities:** The property tax rate remained at 31 cents per one hundred dollars of property value. Sales tax revenue is budgeted 3.2% higher than what was received in fiscal year 2025. The cost of a monthly service for a garbage cart increases seventy-five cents to \$14.75 due to an increase in the cost of this contracted service. Recycling cart monthly service increases twenty-five cents to \$5.25. The budget includes an appropriation from fund balance of \$1,820,474, including \$261,400 from restricted fund balance. The beginning budget for capital expenditure is \$2,032,000.

Budgeted expenditures in the original budget for the General Fund were \$15,247,944 in fiscal year 2026, compared to last year's final budget of \$17,557,061. Total expenditures for the year ended June 30, 2025 were \$11,694,207.

This budget includes appropriations for IT system upgrades and replacements to enhance speed, improve network security, ensure compliance with CJIS and PCI standards. The Facilities and Grounds crew is exploring equipment options to support greenway clearing and vegetation management throughout the park system. The Police Department will continue upgrading tactical and investigative equipment, as well as maintaining its fleet replacement program. The City has budgeted for street resurfacing funds in addition to the Powell Bill funds. A Recreation Needs Assessment is underway to guide future investment in the Creekside Recreation Center. The budget continues funding for the support of youth and senior programming. It also includes funding for design, engineering and construction planning for the replacement of the Old Plank Road bridge over Muddy Creek, a critical link in the City's trail system. Substantial progress is expected in the development of Alridge Park, accounted for in the multi-year budgeted project fund. Funding for the park is provided by a PARTF grant, Rural Transformation grant and City funds. The planning department, along with the Plan Archdale Committee, will continue efforts to implement the City's long-term strategic plan, Plan Archdale.

**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 7% due to increased commodity costs and upcoming major capital expenditures. The water and sewer fund is operated as a self-supported enterprise and the balance in unrestricted net position is necessary to finance expansion and replacement of infrastructure.

**THE CITY OF ARCHDALE**  
**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

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Budgeted expenditures in the original budget for the water and sewer fund were \$5,188,751 in fiscal year 2026, compared to last year's final budget of \$6,231,741. Total expenditures were \$4,856,734.

The fiscal year 2026 budget includes the following budget impacts.

- The budget for debt service is \$524,667 which is 10.1% percent of the water and sewer fund operating budget, excluding sewer capital projects.
- The \$453,900 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 FY26 commodity rate increased 9.5% over the prior year.
- The smoke testing program will continue efforts to improve sewer system efficiency and reduce long-term treatment costs by identifying leaks and unauthorized connections.
- 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.
- An Asset Inventory Assessment grant for \$150,000 will help fund modeling of the City's primary sewer trunk line upstream of the Weant Road Pump Station in order to assess current capacity and inform future planning efforts.
- Reimbursement of \$258,000 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. This project has been budgeted in a special revenue project fund. The City was awarded \$7,000,000 under S.L.2023-134 by the North Carolina General Assembly for sewer infrastructure.

**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.

**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, 2025**

	<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	\$ 21,037,789	\$ 13,261,633	\$ 34,299,422
Taxes receivables (net)	47,413	-	47,413
Accrued interest receivable	58,456	-	58,456
Accounts receivable (net)	94,492	711,512	806,004
Due from other governments	1,655,384	212,980	1,868,364
Inventories	-	134,568	134,568
Prepaid items	15,051	1,000	16,051
Restricted cash and cash equivalents	1,740,090	699,887	2,439,977
Total current assets	<u>24,648,675</u>	<u>15,021,580</u>	<u>39,670,255</u>
Non-current assets:			
Capital assets:			
Land, non-depreciable improvements, and construction in progress	8,751,205	525,475	9,276,680
Other capital assets, net	14,447,063	25,758,701	40,205,764
Total capital assets	<u>23,198,268</u>	<u>26,284,176</u>	<u>49,482,444</u>
Total noncurrent assets	<u>23,198,268</u>	<u>26,284,176</u>	<u>49,482,444</u>
Total assets	<u>47,846,943</u>	<u>41,305,756</u>	<u>89,152,699</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	1,671,774	282,292	1,954,066
OPEB deferrals	30,229	6,126	36,355
Total deferred outflows of resources	<u>1,702,003</u>	<u>288,418</u>	<u>1,990,421</u>

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, 2025**

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	483,125	310,123	793,248
Accrued interest payable	1,606	6,912	8,518
Current portion of long-term liabilities	348,084	461,175	809,259
Payable from restricted assets	509,405	457,764	967,169
Advance from grantor	18,620	-	18,620
Total current liabilities	<u>1,360,840</u>	<u>1,235,974</u>	<u>2,596,814</u>
Long-term liabilities:			
Net pension liability	2,503,651	507,427	3,011,078
Net pension liability-LEOSSA	339,344	-	339,344
OPEB liability	202,379	41,011	243,390
Compensated absences	364,248	39,895	404,143
IT subscription liabilities	56,190	18,849	75,039
Direct borrowing - note payable	23,123	2,664,798	2,687,921
Total long-term liabilities	<u>3,488,935</u>	<u>3,271,980</u>	<u>6,760,915</u>
Total liabilities	<u>4,849,775</u>	<u>4,507,954</u>	<u>9,357,729</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	-	716	716
Prepaid cash receipts	1,585	-	1,585
Pension deferrals	227,428	37,443	264,871
OPEB deferrals	134,695	27,296	161,991
Total deferred inflows of resources	<u>363,708</u>	<u>65,455</u>	<u>429,163</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,997,860	23,081,724	46,079,584
Restricted for:			
Stabilization by State Statute	2,150,540	-	2,150,540
Transportation	778,880	-	778,880
Public safety	419,076	-	419,076
Culture and recreation	14,109	-	14,109
System development	-	242,123	242,123
Unrestricted	17,974,998	13,696,918	31,671,916
Total net position	<u>\$ 44,335,463</u>	<u>\$ 37,020,765</u>	<u>\$ 81,356,228</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, 2025

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	\$ 2,945,519	\$ 61,582	\$ 41,758	\$ -	\$ (2,842,179)	\$ -	\$ (2,842,179)
Public safety	4,509,885	-	152,101	-	(4,357,784)	-	(4,357,784)
Transportation	1,453,515	-	450,579	1,493,241	490,305	-	490,305
Environmental protection	1,129,671	1,103,909	56,053	-	30,291	-	30,291
Cultural and recreation	1,811,214	418,437	351,677	81,155	(959,945)	-	(959,945)
Community promotions	179,251	-	88,007	-	(91,244)	-	(91,244)
Interest on long-term debt	5,755	-	-	-	(5,755)	-	(5,755)
Total governmental activities	12,034,810	1,583,928	1,140,175	1,574,396	(7,736,311)	-	(7,736,311)
Business-type activities:							
Water and sewer	5,662,322	5,024,232	183,400	2,993,970	-	2,539,280	2,539,280
Stormwater	559,741	505,176	-	-	-	(54,565)	(54,565)
Total business-type activities	6,222,063	5,529,408	183,400	2,993,970	-	2,484,715	2,484,715
Total primary government	\$ 18,256,873	\$ 7,113,336	\$ 1,323,575	\$ 4,568,366	(7,736,311)	2,484,715	(5,251,596)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					4,887,517	-	4,887,517
Grants and contributions not restricted to specific programs					5,514,625	-	5,514,625
Unrestricted investment earnings					917,883	613,960	1,531,843
Miscellaneous					71,111	-	71,111
Total general revenues					11,391,136	613,960	12,005,096
Change in net position					3,654,825	3,098,675	6,753,500
Net position, beginning, as previously reported					40,786,778	33,939,401	74,726,179
Restatement - GASB 101 implementation					(106,140)	(17,311)	(123,451)
Net position, beginning, as restated					40,680,638	33,922,090	74,602,728
Net position, ending					\$ 44,335,463	\$ 37,020,765	\$ 81,356,228

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

**City of Archdale, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	<u>Major</u>		<u>Nonmajor</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>PARTF Fund</u>	<u>SCIF Fund</u>	
<b>ASSETS</b>				
Cash and cash equivalents/investments	\$ 19,555,789	\$ 1,482,000	\$ -	\$ 21,037,789
Restricted cash	1,707,361	-	32,729	1,740,090
Receivables, net:				
Taxes	47,413	-	-	47,413
Accounts	94,492	-	-	94,492
Due from other governments	1,613,758	41,626	-	1,655,384
Prepaid items	15,051	-	-	15,051
Total assets	<u>\$ 23,033,864</u>	<u>\$ 1,523,626</u>	<u>\$ 32,729</u>	<u>\$ 24,590,219</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	481,273	1,852	-	483,125
Accrued interest payable	1,606	-	-	1,606
Accounts payable from restricted assets	509,405	-	-	509,405
Advance from grantor	-	-	18,620	18,620
Total liabilities	<u>992,284</u>	<u>1,852</u>	<u>18,620</u>	<u>1,012,756</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes receivable	47,413	-	-	47,413
Prepaid cash receipts	1,585	-	-	1,585
Total deferred inflows of resources	<u>48,998</u>	<u>-</u>	<u>-</u>	<u>48,998</u>
<b>FUND BALANCES</b>				
Non spendable				
Prepays	15,051	-	-	15,051
Restricted				
Stabilization by state statute	2,150,540	-	-	2,150,540
Streets	778,880	-	-	778,880
Public safety	419,076	-	-	419,076
Cultural and recreation	-	-	14,109	14,109
Assigned				
Subsequent year's expenditures	1,820,474	-	-	1,820,474
Economic development	720,484	-	-	720,484
Cultural and recreation	-	1,521,774	-	1,521,774
Capital	11,000,000	-	-	11,000,000
Unassigned	5,088,077	-	-	5,088,077
Total fund balances	<u>21,992,582</u>	<u>1,521,774</u>	<u>14,109</u>	<u>23,528,465</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,033,864</u>	<u>\$ 1,523,626</u>	<u>\$ 32,729</u>	

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

(continued)

**City of Archdale**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

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

Total Fund Balance, Governmental Funds		\$ 23,528,465
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Gross capital assets at historical cost	\$ 33,565,463	
Accumulated depreciation	<u>(10,367,195)</u>	23,198,268
Deferred outflows of resources related to pensions are not reported in the funds		1,671,774
Deferred outflows of resources related to OPEB are not reported in the funds		30,229
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.		58,456
Earned revenues considered deferred inflows of resources in fund statements.		47,413
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in fund statements:		
Compensated absences	(440,657)	
Note payable	(50,649)	
Subscription liability	(149,759)	
Net pension liability	(2,503,651)	
Net pension liability - LEOSSA	(488,918)	
Total OPEB liability	<u>(203,385)</u>	(3,837,019)
Deferred inflows of resources related to pensions are not reported in the funds		(227,428)
Deferred inflows of resources related to OPEB are not reported in the funds		<u>(134,695)</u>
Net position of governmental activities		<u><u>\$ 44,335,463</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, 2025**

	Major		Nonmajor	Total Governmental Funds
	General Fund	PARTF Fund	SCIF Fund	
<b>REVENUES</b>				
Ad valorem taxes	\$ 4,883,028	\$ -	\$ -	\$ 4,883,028
Unrestricted intergovernmental	5,679,096	-	-	5,679,096
Restricted intergovernmental	692,848	79,715	-	772,563
Permits and fees	61,582	-	-	61,582
Sales and services	1,522,346	-	-	1,522,346
Investment earnings	900,065	69,857	1,440	971,362
Miscellaneous	417,775	-	-	417,775
Total revenues	14,156,740	149,572	1,440	14,307,752
<b>EXPENDITURES</b>				
Current:				
Governing body	51,315	-	-	51,315
Administration	440,143	-	-	440,143
Information technology	652,928	-	-	652,928
Finance	428,688	-	-	428,688
Legal	37,129	-	-	37,129
Planning and zoning	430,839	-	-	430,839
Facilities and grounds	558,766	-	-	558,766
Police	4,002,298	-	-	4,002,298
Fire inspections	32,945	-	-	32,945
Streets	620,842	-	-	620,842
Streets-Powell Bill	366,142	-	-	366,142
Sanitation	1,129,671	-	-	1,129,671
Parks and recreation	1,132,632	154,673	-	1,287,305
Senior building	13,417	-	-	13,417
Library	175,723	-	-	175,723
Community promotions	179,251	-	-	179,251
Nondepartmental-sales tax paid	164,471	-	-	164,471
Debt service:				
Principal	157,119	-	-	157,119
Interest and other charges	5,755	-	-	5,755
Capital outlay	1,114,133	716	-	1,114,849
Total expenditures	11,694,207	155,389	-	11,849,596
Excess (deficiency) of revenues over (under) expenditures	2,462,533	(5,817)	1,440	2,458,156
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	107,910	-	-	107,910
IT subscription agreements	9,828	-	-	9,828
Total other financing sources (uses)	117,738	-	-	117,738
Net change in fund balance	2,580,271	(5,817)	1,440	2,575,894
Fund balances, beginning	19,412,311	1,527,591	12,669	20,952,571
Fund balances, ending	\$ 21,992,582	\$ 1,521,774	\$ 14,109	\$ 23,528,465

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, 2025**

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

Net changes in fund balances - total governmental funds		\$ 2,575,894
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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:

Capital outlay expenditures which were capitalized	1,114,849	
Capital asset contribution from developers	1,493,241	
Sale and disposal of capital assets in excess of depreciation	(52,710)	
Depreciation and amortization expense for governmental assets	<u>(1,482,237)</u>	1,073,143

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		587,929
Benefit payments for the LEOSSA are not included on the Statement of Activities		53,292

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue for tax revenues	4,489	
Interest receivable from taxes and investments	<u>(8,043)</u>	(3,554)

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:

Long-term debt issued	(9,828)	
Principal payments on long-term debt	<u>157,119</u>	147,291

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

Compensated absences	(85,507)	
Pension expense	(671,858)	
Pension expense (LEOSSA)	(21,705)	
OPEB expense	<u>(100)</u>	<u>(779,170)</u>

Total changes in net position of governmental activities		<u>\$ 3,654,825</u>
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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, 2025**

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 4,713,180	\$ 4,713,180	\$ 4,883,028	\$ 169,848
Unrestricted intergovernmental	5,288,500	5,449,500	5,679,096	229,596
Restricted intergovernmental	710,200	852,500	692,848	(159,652)
Permits and fees	47,000	47,000	61,582	14,582
Sales and services	1,443,500	1,443,500	1,522,346	78,846
Investment earnings	789,600	789,600	900,065	110,465
Miscellaneous	41,000	54,572	417,775	363,203
Total revenues	<u>13,032,980</u>	<u>13,349,852</u>	<u>14,156,740</u>	<u>806,888</u>
Expenditures:				
Governing body	57,100	57,100	51,315	5,785
Administration	532,400	570,000	440,143	129,857
Information technology	796,300	944,904	834,125	110,779
Finance	523,300	613,034	428,688	184,346
Legal	50,000	50,000	37,129	12,871
Planning and zoning	672,400	692,600	449,893	242,707
Facilities and grounds	733,000	854,444	642,721	211,723
Police	4,322,000	5,148,251	4,226,797	921,454
Fire inspections	32,945	32,945	32,945	-
Streets	990,400	1,243,889	822,999	420,890
Streets-Powell Bill	485,000	485,000	366,142	118,858
Sanitation	1,154,000	1,154,000	1,129,671	24,329
Parks and recreation	4,581,000	4,722,744	1,698,777	3,023,967
Senior building	19,100	19,100	13,417	5,683
Library	186,800	200,500	175,723	24,777
Community promotions	423,805	567,550	179,251	388,299
Nondepartmental	10,000	201,000	164,471	36,529
Total expenditures	<u>15,569,550</u>	<u>17,557,061</u>	<u>11,694,207</u>	<u>5,862,854</u>
Revenues over (under) expenditures	<u>(2,536,570)</u>	<u>(4,207,209)</u>	<u>2,462,533</u>	<u>6,669,742</u>
Other financing sources (uses):				
Sale of assets	-	-	107,910	107,910
IT subscription agreements	-	-	9,828	9,828
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>117,738</u>	<u>117,738</u>
Fund balance appropriated	<u>2,536,570</u>	<u>4,207,209</u>	<u>-</u>	<u>(4,207,209)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,580,271</u>	<u>\$ 2,580,271</u>
Fund balances, beginning			19,412,311	
Fund balances, ending			<u>\$ 21,992,582</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, 2025**

	<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	\$ 12,024,084	\$ 1,237,549	\$ 13,261,633
Restricted cash	699,887	-	699,887
Accounts receivable (net) - billed	423,096	43,009	466,105
Accounts receivable (net) - unbilled	245,407	-	245,407
Due from other governments	212,980	-	212,980
Inventories	134,568	-	134,568
Prepaid items	-	1,000	1,000
Total current assets	<u>13,740,022</u>	<u>1,281,558</u>	<u>15,021,580</u>
Noncurrent assets:			
Capital assets:			
Land, easements and construction in progress	525,475	-	525,475
Other capital assets, net of depreciation and amortization	25,514,167	244,534	25,758,701
Total capital assets	<u>26,039,642</u>	<u>244,534</u>	<u>26,284,176</u>
Total noncurrent assets	<u>26,039,642</u>	<u>244,534</u>	<u>26,284,176</u>
Total assets	<u>39,779,664</u>	<u>1,526,092</u>	<u>41,305,756</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	195,789	86,503	282,292
OPEB deferrals	4,250	1,876	6,126
Total deferred outflows of resources	<u>200,039</u>	<u>88,379</u>	<u>288,418</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, 2025**

	<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	297,772	12,351	310,123
Accrued interest payable	6,876	36	6,912
Payable from restricted assets	457,764	-	457,764
Compensated absences - current	4,205	1,861	6,066
Interlocal agreements payable	445,891	-	445,891
IT subscription liabilities	8,233	781	9,014
OPEB liability	142	62	204
Total current liabilities	<u>1,220,883</u>	<u>15,091</u>	<u>1,235,974</u>
Noncurrent liabilities:			
Compensated absences	24,481	15,414	39,895
Interlocal agreements payable	2,664,798	-	2,664,798
IT subscription liabilities	17,217	1,632	18,849
Net pension liability	351,935	155,492	507,427
OPEB liability	28,452	12,559	41,011
Total noncurrent liabilities	<u>3,086,883</u>	<u>185,097</u>	<u>3,271,980</u>
Total liabilities	<u>4,307,766</u>	<u>200,188</u>	<u>4,507,954</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	716	-	716
Pension deferrals	25,969	11,474	37,443
OPEB deferrals	18,937	8,359	27,296
Total deferred inflows of resources	<u>45,622</u>	<u>19,833</u>	<u>65,455</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,839,603	242,121	23,081,724
Restricted for system development	242,123	-	242,123
Unrestricted	12,544,589	1,152,329	13,696,918
Total net position	<u>\$ 35,626,315</u>	<u>\$ 1,394,450</u>	<u>\$ 37,020,765</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, 2025**

	<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	\$ 4,814,516	\$ 505,176	\$ 5,319,692
Water and sewer taps	34,070	-	34,070
Other operating revenues	146,989	-	146,989
<b>Total operating revenues</b>	<u>4,995,575</u>	<u>505,176</u>	<u>5,500,751</u>
<b>OPERATING EXPENSES</b>			
Salaries and employee benefits	912,978	317,646	1,230,624
Water purchases	431,516	-	431,516
Waste collection and treatment costs	670,784	-	670,784
Other operating expenses	2,233,592	153,354	2,386,946
Depreciation and amortization	1,337,999	88,701	1,426,700
<b>Total operating expenses</b>	<u>5,586,869</u>	<u>559,701</u>	<u>6,146,570</u>
<b>Operating income (loss)</b>	<u>(591,294)</u>	<u>(54,525)</u>	<u>(645,819)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Lease revenue	28,657	-	28,657
Investment earnings	559,553	54,407	613,960
Nonoperating grants	307,300	-	307,300
Interest and other charges	(75,453)	(40)	(75,493)
<b>Total nonoperating revenue (expenses)</b>	<u>820,057</u>	<u>54,367</u>	<u>874,424</u>
<b>Income (loss) before contributions</b>	<u>228,763</u>	<u>(158)</u>	<u>228,605</u>
Capital contributions	2,792,000	-	2,792,000
System development fees	78,070	-	78,070
<b>Total contributions</b>	<u>2,870,070</u>	<u>-</u>	<u>2,870,070</u>
Change in net position	<u>3,098,833</u>	<u>(158)</u>	<u>3,098,675</u>
Total net position, beginning, as previously reported	32,538,199	1,401,202	33,939,401
Restatement - GASB 101 implementation	(10,717)	(6,594)	(17,311)
Net position, beginning, as restated	<u>32,527,482</u>	<u>1,394,608</u>	<u>33,922,090</u>
Total net position, ending	<u>\$ 35,626,315</u>	<u>\$ 1,394,450</u>	<u>\$ 37,020,765</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, 2025**

	<u>Major</u> <u>Water and</u> <u>Sewer</u> <u>Fund</u>	<u>Nonmajor</u> <u>Stormwater</u> <u>Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 4,857,009	\$ 504,514	\$ 5,361,523
Cash paid for goods and services	(3,199,930)	(154,139)	(3,354,069)
Cash paid to or on behalf of employees for services	(907,703)	(310,320)	(1,218,023)
Customer deposits received	89,964	-	89,964
Customer deposits returned	(64,300)	-	(64,300)
Other operating revenues	146,989	-	146,989
Net cash provided by operating activities	<u>922,029</u>	<u>40,055</u>	<u>962,084</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Nonoperating grants	<u>94,320</u>	<u>-</u>	<u>94,320</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
System Development Fees	78,070	-	78,070
Acquisition and disposal of capital assets	(186,411)	(5,712)	(192,123)
IT subscription agreement	3,219	712	3,931
Principal and interest paid on notes	(549,144)	(7,809)	(556,953)
Cash received from a cell tower agreement	29,985	-	29,985
Net cash used by capital and related financing activities	<u>(624,281)</u>	<u>(12,809)</u>	<u>(637,090)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	<u>560,079</u>	<u>54,407</u>	<u>614,486</u>
Net increase (decrease) in cash and cash equivalents/investments	952,147	81,653	1,033,800
Balances, beginning	11,771,824	1,155,896	12,927,720
Balances, ending	<u>\$ 12,723,971</u>	<u>\$ 1,237,549</u>	<u>\$ 13,961,520</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ (591,294)	\$ (54,525)	\$ (645,819)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,337,999	88,701	1,426,700
Changes in assets, deferred outflows of resources, and liabilities:			
(Increase) decrease in accounts receivable	8,423	(662)	7,761
(Increase) decrease in inventories	(15,948)	-	(15,948)
(Increase) decrease in prepaid items	-	(1,000)	(1,000)
(Increase) decrease in deferred outflows of resources - pensions	32,541	14,380	46,921
(Increase) decrease in deferred outflows of resources - OPEB	689	304	993
Increase (decrease) in net pension liability	(23,445)	(10,358)	(33,803)
Increase (decrease) in deferred inflows of resources for pensions	2,701	1,193	3,894
Increase (decrease) in accounts payable and accrued liabilities	153,095	1,775	154,870
Increase (decrease) in customer deposits	25,664	-	25,664
Increase (decrease) in accrued leave pay	(7,722)	545	(7,177)
Increase (decrease) in deferred inflows of resources - OPEB	(2,987)	(1,318)	(4,305)
Increase (decrease) in OPEB liability	2,313	1,020	3,333
Total adjustments	<u>1,513,323</u>	<u>94,580</u>	<u>1,607,903</u>
Net cash provided by operating activities	<u>\$ 922,029</u>	<u>\$ 40,055</u>	<u>\$ 962,084</u>

**NONCASH CAPITAL CONTRIBUTION**

The City Council accepted sewer lines constructed by a residential developer. The \$2,792,000 value is based in cost information provided by the developer.

Due from other governments includes \$212,980 for reimbursement of capital grant project expenditures.

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, 2025**

	<b>LEOSSA Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents/investments	
Mutual funds:	
NC Short Term Investment Fund	\$ 373
NC Equity Index Fund	745,333
NC Bond Investment Fund	295,475
Total assets	1,041,181
 <b>NET POSITION</b>	
Restricted for pension	\$ 1,041,181

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, 2025**

	<b>LEOSSA Trust Fund</b>
<b>ADDITIONS</b>	
Employer contributions	\$ 156,584
Investment earnings:	
Net appreciation (depreciation) in the fair value of investments	105,097
Investment income	14,922
Total investment earnings	120,019
Less investment costs	
Investment manager and advisory fees	132
Net investment income	119,887
 Total additions	 276,471
<b>DEDUCTIONS</b>	
Benefits paid	106,584
Net increase (decrease) in fiduciary net position	169,887
Total net position restricted for pension, beginning	871,294
Total net position restricted for pension, ending	\$ 1,041,181

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

**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.

The City reports on the following nonmajor governmental 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. The remaining appropriated funds will be used for greenway expansion and maintenance.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

The City reports on 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, the Capital Reserve Fund, and the Sewer SFRF ARPA Capital Project 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.

**Sewer SFRF ARPA Capital Project Fund.** Accounts for grant funding through the American Rescue Plan Act (ARPA) for construction of sewer lines.

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 an economic resources measurement focus.

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, 2025**

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 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 are both restricted and unrestricted net positions 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, including the Sewer SFRF ARPA Capital Project Fund. 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, 2025**

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, bankers' acceptances, and mutual fund shares when the mutual fund is certified by the Local Government Commission. The City's investments are reported at fair value.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC-registered money market fund that is currently 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 by S&P and AAA-mf by Moody's Investor Services and 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, 2025**

Restricted cash:

Governmental Activities:

General Fund

Federal asset forfeitures	\$	429,020
Streets		1,144,156
Refundable deposits		26,340
Property and evidence		107,845

SCIF Grants Fund		32,729
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Total governmental activities		1,740,090
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Business-Type Activities:

Water and Sewer Fund

Customer deposits		457,764
Capital reserve		242,123

Total business-type activities		699,887
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Total restricted cash	\$	2,439,977
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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, 2024. 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, 2025**

8. Intangible Assets

Intangible assets, net of amortization, of \$6,448,795 as of June 30, 2025, 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 \$3,517,172 as of June 30, 2025, 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 \$10,616 are license fees for facility encroachments at railroad crossings for an initial term of twenty years. The City also has easement rights with a value of \$94,179.

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, \$100; permanent utility easements, \$100; 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.

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 are 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 are reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount is included in the initial measurement of the subscription asset. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

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

Asset Class	Useful Lives
Streets and Pedestrian Paths	10-20
Buildings	15-50
Other Improvements	5-25
Vehicles and Heavy Equipment	5-10
Furniture and Equipment	5-20
Electronic Equipment and Software	3-5
Water and Sewer Infrastructure	30-80
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 2025 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 (reported only on the balance sheet of the governmental funds), prepaid cash receipts, 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 City recognizes a liability of compensated absences for leave time that has been earned for services previously rendered by employees, accumulates, and is allowed to be carried over to subsequent years, and is more likely than not to be used as time off. Based on the criteria listed.

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 last-in, first-out method of using all accumulated compensated time. The portion of that time estimated to be used in the next fiscal year in excess of leave accruals 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. The City has accrued for sick leave in accordance with GASB 101 and is based on historical usage.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

13. Net Position/Fund Balances

Net Position

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

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 inventory 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, 2025**

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 2025-26 budget ordinance that is not already classified in restricted or committed. Appropriations for capital expenditure exceed the \$1,820,474 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 they are 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, 2025**

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 recognizes 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, 2025, the City's deposits had a carrying amount of \$4,824,765 and a bank balance of \$5,345,482. Of the bank balance \$256,393 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2025, the City's petty cash and change funds totaled \$675. The Police Department had \$725 in police investigation funds.

2. Investments

At June 30, 2025 the City of Archdale, excluding the Archdale LEOSSA Trust, had \$31,913,234 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.

*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, 2025.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

LEOSSA Trust Fund

On June 30, 2025 the City's LEOSSA Trust had \$1,041,181 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) [28.4%] and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund (EIF) [71.6%].

*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, 2025 of 2.1 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 8.11 years on June 30, 2025.

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, 2025, the fair value of funds was \$44.333857 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 2.1 years on June 30, 2025. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.11 years on June 30, 2025.

*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 \$6,979 interest on taxes and \$51,477 interest on investments in governmental activities.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

4. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position as of June 30, 2025 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	\$ 1,231,024	\$ -	\$ 1,231,024
Utility sales tax	159,300	-	159,300
Sales tax refunds	166,680	-	166,680
PARTF grant reimbursement	41,626	-	41,626
Solid waste disposal tax	2,220	-	2,220
Property tax collections	-	53,381	53,381
Expenditure reimbursement	-	1,153	1,153
Total governmental funds	\$ 1,600,850	\$ 54,534	\$ 1,655,384
Proprietary funds:			
Grant reimbursement	\$ 212,980	\$ -	\$ 212,980
Total	\$ 1,813,830	\$ 54,534	\$ 1,868,364

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 \$30,525. The City recognized lease revenue of \$28,657 and interest revenue of \$540 during the fiscal year. The value of the lease receivable is \$0. 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 lessee is requesting renegotiation of the lease. The value of deferred inflow of resources as of June 30, 2025 is \$716.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

7. Capital Assets

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

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,786,551	\$ 21,063	\$ 51,243	\$ -	\$ 4,756,371
Construction-in-progress	1,114,489	11,804	-	(1,110,104)	16,189
Street rights-of-way	3,978,645	-	-	-	3,978,645
Total capital assets not being depreciated	<u>9,879,685</u>	<u>32,867</u>	<u>51,243</u>	<u>(1,110,104)</u>	<u>8,751,205</u>
Capital assets being depreciated:					
Streets and pedestrian paths	4,282,431	1,493,241	-	-	5,775,672
Buildings	8,941,145	46,179	-	843,439	9,830,763
Other improvements	2,813,344	364,936	54,467	-	3,123,813
Equipment, vehicles, and furniture	4,789,020	661,039	423,833	309,396	5,335,622
Computer software	274,010	-	-	-	274,010
Right-to-use IT subscriptions	479,432	9,828	14,882	-	474,378
Total capital assets being depreciated	<u>21,579,382</u>	<u>2,575,223</u>	<u>493,182</u>	<u>1,152,835</u>	<u>24,814,258</u>
Less accumulated depreciation and amortization for:					
Streets and pedestrian paths	1,199,727	322,975	-	-	1,522,702
Buildings	3,422,506	230,024	-	-	3,652,530
Land improvements	1,314,869	196,982	54,467	-	1,457,384
Equipment, vehicles, and furniture	3,027,341	585,852	422,366	42,731	3,233,558
Computer software	208,534	20,600	-	-	229,134
Right-to-use IT subscriptions	160,965	125,804	14,882	-	271,887
Total accumulated depreciation and amortization	<u>9,333,942</u>	<u>\$ 1,482,237</u>	<u>\$ 491,715</u>	<u>\$ 42,731</u>	<u>10,367,195</u>
Total capital assets being depreciated, net	<u>12,245,440</u>				<u>14,447,063</u>
Governmental activities capital assets, net	<u>\$ 22,125,125</u>				<u>\$ 23,198,268</u>

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

	Depreciation	Amortization	Total
General government	\$ 195,190	\$ 88,479	\$ 283,669
Public safety	385,422	37,325	422,747
Transportation	455,292	-	455,292
Culture and recreation	320,529	-	320,529
	<u>\$ 1,356,433</u>	<u>\$ 125,804</u>	<u>\$ 1,482,237</u>

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

Construction commitments:

The City has multiple commitments totaling \$30,170 for construction of an equipment shelter at the Facilities and Grounds Facility as of June 30, 2025.

*Capital asset activity for the business-type activities for the year ended June 30, 2025, was as follows:*

	Beginning Balances	Increases	Decreases	Transfers	Balances
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	-	123,900	-	-	123,900
Total capital assets non-depreciable	<u>401,575</u>	<u>123,900</u>	<u>-</u>	<u>-</u>	<u>525,475</u>
Capital assets, depreciable/amortizable:					
Water distribution system	7,087,207	1,558,500	-	-	8,645,707
Sewer distribution system	21,024,863	1,233,500	-	-	22,258,363
Other Improvements	15,357	-	-	-	15,357
Equipment and vehicles	3,421,874	61,893	29,593	42,731	3,411,443
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	120,598	3,219	-	-	123,817
Utility easement rights	18,551	-	-	-	18,551
Total capital assets, depreciable/amortizable	<u>48,522,410</u>	<u>2,857,112</u>	<u>29,593</u>	<u>42,731</u>	<u>51,307,198</u>
Less accumulated depreciation/amortization for:					
Water distribution system	4,733,380	110,822	-	-	4,844,202
Sewer collection system	11,506,130	467,109	-	-	11,973,239
Other Improvements	5,296	1,024	-	-	6,320
Equipment and vehicles	1,829,777	251,091	26,992	42,731	2,011,145
Computer software	30,059	7,520	-	-	37,579
Water rights	2,906,818	217,304	-	-	3,124,122
Wastewater treatment rights	3,457,599	248,672	-	-	3,706,271
Right-to-use IT subscription	48,689	33,529	-	-	82,218
Utility easement rights	7,007	928	-	-	7,935
Total accumulated depreciation/amortization	<u>24,524,755</u>	<u>1,337,999</u>	<u>26,992</u>	<u>42,731</u>	<u>25,793,031</u>
Total capital assets depreciable, net	<u>23,997,655</u>				<u>25,514,167</u>
Water and Sewer Fund capital assets, net	<u>24,399,230</u>				<u>26,039,642</u>

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

	Beginning Balances	Increases	Decreases	Ending Balances
Stormwater Fund:				
Capital assets, depreciable/amortizable:				
Other Improvements	10,080	-	-	10,080
Equipment	1,034,919	5,000	-	1,039,919
Right-to-use IT subscription	23,073	712	-	23,785
Total capital assets, depreciable/amortizable	1,068,072	5,712	-	1,073,784
Less accumulated depreciation/amortization for:				
Other Improvements	3,360	672	-	4,032
Equipment	729,711	80,602	-	810,313
Right-to-use IT subscription	7,478	7,427	-	14,905
Total accumulated depreciation/amortization	740,549	88,701	-	829,250
Stormwater Fund capital assets, net	327,523			244,534
Business-type activity capital assets, net	\$ 24,726,753			\$ 26,284,176

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

	Depreciation	Amortization	Total
Water and Sewer Fund	\$ 837,566	\$ 500,433	\$ 1,337,999
Stormwater Fund	81,274	7,427	88,701
	\$ 918,840	\$ 507,860	\$ 1,426,700

**B. Liabilities**

**1. Payables**

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

	Vendors	Other	Total
Governmental activities:			
General	\$ 230,365	\$ 250,908	\$ 481,273
PARTF	1,852	1,852	1,852
Total - governmental activities	\$ 232,217	\$ 252,760	\$ 483,125
Business-type activities:			
Water and Sewer	\$ 275,695	\$ 22,077	\$ 297,772
Stormwater	3,033	9,318	12,351
Total - business-type activities	\$ 278,728	\$ 31,395	\$ 310,123

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

**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, firefighters and rescue squad workers. 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. General employee plan members are eligible to retire with unreduced 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. General employee plan members are eligible to retire with reduced 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 and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of general employee plan 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 workers 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

LGERS plan members who are LEOs are eligible to retire with unreduced 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 reduced retirement benefits at age 50 with 15 years of creditable service as an officer. LEOs who complete 25 years of creditable service with 15 years as an officer are eligible to retire with reduced retirement benefits. 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 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members.

*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, 2025, was 15.04% of compensation for law enforcement officers (including .14% death benefits and -.20% court costs) and 13.69% (including .09% 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 \$710,557 for the year ended June 30, 2025.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

*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 include (currently 4% per year) regardless of the number of years of retirement service credit or for the reason for separation from service. 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 any other retirement or survivor benefit provided by LGERS.

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

At June 30, 2025, the City reported a liability of \$3,011,078 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The 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, 2025, the City’s proportion was 0.04466%, which was a decrease of 0.00383% from its proportion as of June 30, 2024.

For the year ended June 30, 2025, the City recognized pension expense of \$811,496. At June 30, 2025, 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	\$ 527,655	\$ 3,548
Net difference between projected and actual earnings on pension plan investments	409,354	-
Changes in proportion and differences between City contributions and proportionate share of contributions	27,563	218,637
City contributions subsequent to measurement date	710,557	-
Total	\$ 1,675,129	\$ 222,185

\$710,557 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, 2026.

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

Year ending June 30:	
2026	\$ 223,083
2027	505,313
2028	60,278
2029	(46,287)
2030	-
Thereafter	-
Total	\$ 742,387

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

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

Inflation	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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2023 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, 2024 are summarized in the following table:

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

The information above is based on 30-year expectations developed with an investment consulting firm. The long-term nominal rates of return underlying the real rates of return are arithmetic annual figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annual amounts.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

*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)	\$ 5,535,718	\$ 3,011,078	\$ 1,098,742

*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, 2023, the valuation date, the Separation Allowance’s membership consisted of:

Inactive members receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	25
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, 2025 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, 2025**

*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 of \$142,703 for fiscal year 2025 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 \$156,583, including \$106,584 needed to cover benefit payments and an additional \$50,000 in fiscal year 2025. These amounts represent 8.39% and 9.21% 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, 2022 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 of 2.50%. The actuarial value of assets was determined using the market value of investments. The remaining amortization period as of December 31, 2022 was 8 years.

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

At June 30, 2025, the City reported a total pension liability of \$1,449,437. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024, utilizing standard actuarial update roll forward procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the City recognized pension expense of \$124,997.

At June 30, 2025, 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, 2024 measurement date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 196,701	\$ 6,174
Changes of assumptions and other inputs	28,944	-
Net difference between projected and actual earnings on plan investments	-	36,512
Benefit payments and administrative expenses subsequent to measurement date	53,292	-
Total	\$ 278,937	\$ 42,686

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

\$53,292 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, 2026. 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 ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount Recognized as Increase (Decrease) to Pension Expense
2026	\$ 83,955	\$ 6,972	\$ 76,983
2027	60,020	3,025	56,995
2028	46,131	27,360	18,771
2029	28,124	11,486	16,638
2030	13,572	-	13,572
Thereafter	-	-	-
	\$ 231,802	\$ 48,843	\$ 182,959

*Actuarial Assumptions.* The Entry Age Normal Actuarial Cost Method was used in the December 31, 2023 valuation. The total pension liability rolled forward to December 31, 2024 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 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 purposes has been increased by 1.2 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, 2025**

The actuarial assumptions used in the December 31, 2023 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 is 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 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Rate of Return	Long-Term Expected Real Rate of Return
Equity Index Fund	70.00%	10.29%	7.79%
Bond Index Fund	30.00%	1.25%	-1.25%

For the year ended June 30, 2025, the annual money-weighted rate of return on Separation Allowance investments, net of investment expense, was 13.33%. 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, 2024 (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 2056. 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	\$ 598,029	\$ 488,918	\$ 389,244

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

*Changes in the Net Pension Liability as of June 30, 2025 were as follows:*

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Net pension liability as of December 31, 2023	\$ 1,335,319	\$ 807,319	\$ 528,000
Changes for the year:			
Service cost	36,018	-	36,018
Interest	70,572	-	70,572
Difference between expected and actual experience	111,912	-	111,912
Contributions - employer	-	154,384	(154,384)
Net investment income	-	103,200	(103,200)
Benefit payments	(104,384)	(104,384)	-
Net changes	114,118	153,200	(39,082)
Net pension liability as of December 31, 2024	<u>\$ 1,449,437</u>	<u>\$ 960,519</u>	<u>\$ 488,918</u>

Plan net position is 66.27% of the total pension liability.

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 811,496	\$ 124,997	\$ 936,493
Pension Liability	3,011,078	488,918	3,499,996
Proportionate share of the net pension liability	0.04466%	n/a	
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 527,655	\$ 196,701	\$ 724,356
Changes of assumptions	-	28,944	28,944
Net difference between projected and actual earnings on pension plan investments	409,354	-	409,354
Changes in proportion and differences between City contributions and proportionate share of contributions	27,563	-	27,563
Benefit payments and administrative costs paid subsequent to the measurement date	710,557	53,292	763,849
	<u>\$ 1,675,129</u>	<u>\$ 278,937</u>	<u>\$ 1,954,066</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 3,548	\$ 6,174	\$ 9,722
Net difference between projected and actual earnings on pension plan investments	-	36,512	36,512
Changes in proportion and differences between City contributions and proportionate share of contributions	218,637	-	218,637
	<u>\$ 222,185</u>	<u>\$ 42,686</u>	<u>\$ 264,871</u>

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

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 an amount equal to five percent of each employee’s salary each month, 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, 2025 were \$163,067, which consisted of \$97,004 from the City and \$66,063 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, 2025. Employees not engaged in law enforcement made voluntary contributions of \$221,149 and the City contributions were \$124,191. In addition, employees made voluntary contributions of \$37,313 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	

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

**Total OPEB Liability**

The City's total OPEB liability of \$244,600 was measured as of June 30, 2024 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
Payroll Growth Assumption	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	3.86 percent
Measurement date	3.97 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 4.50 percent by 2031

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 3.97% on June 30, 2024. A discount rate of 3.86% was used at the prior measurement date.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2024	\$ 224,821
Changes for the year:	
Service cost at end of year	11,416
Interest on total OPEB liability and cash flows	8,678
Change in assumptions	(3,214)
Change in benefit terms	2,899
Net changes	19,779
Balance at June 30, 2025	\$ 244,600

The plan was amended to allow an employee with 30 years of LGERS service to be eligible for retiree OPEB benefits with 10 years of service with the City instead of 20 years of service with the City. Pursuant to GASB 75, the amendment's impact on the Total OPEB Liability (TOL) was recognized immediately in the OPEB Expense. The discount rate was changed from 3.86% to 3.97%, which resulted in an inflow due to assumption changes. There were no other sources of inflow or outflows.

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

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.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

*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 (2.97 percent) or one percentage point higher (4.97 percent) than the current discount rate:

	1% Decrease 2.97%	Current Discount Rate 3.97%	1% Increase 4.97%
Total OPEB Liability	\$ 277,295	\$ 244,600	\$ 215,435

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* Pre-Medicare health care cost trends are 6.5% for 2025, decreasing to an ultimate rate of 4.50% by 2031. 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	\$ 207,645	\$ 244,600	\$ 288,828

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$1,210. On June 30, 2025, 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	\$ 2,081	\$ (18,686)
Changes of assumptions and other inputs	33,185	(143,305)
Total	\$ 35,266	\$ (161,991)

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, 2026. 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:	
2026	\$ (21,783)
2027	(21,783)
2028	(19,445)
2029	(18,048)
2030	(18,799)
Thereafter	(26,867)
	\$ (126,725)

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

**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	\$ 710,557
Benefit payments, contributions, and administrative expenses subsequent to measurement date (LEOSSA)	53,292
Implicit subsidy credit for current fiscal year	1,089
Differences between expected and actual experience	726,437
Change of assumptions	62,129
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,563
Net difference between projected and actual earning on pension plan investments	409,354
	\$ 1,990,421

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

	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid revenue (General Fund)	\$ 1,585	\$ 1,585
Property taxes receivable (General Fund)	-	47,413
Leases	716	-
Difference between expected and actual experience	28,408	-
Changes of assumptions and other inputs	143,305	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	218,637	-
Net difference between projected and actual earning on pension plan investments	36,512	-
	\$ 429,163	\$ 48,998

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

**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, 2025 in the general fund are \$442,290, including 21,464 for equipment from restricted funds. The majority of these are for a multi-year maintenance service agreement, HVAC controls, contracted services, and professional services. Commitments for outstanding purchase orders in the Water and Sewer fund total \$269,527 for contract services and professional services. The Stormwater Fund has \$127 remaining encumbrance for professional services.

The PARTF fund encumbrance is \$17,764 for planning and construction management. The Sewer SFRF ARPA Capital Project Fund encumbrance of \$496,100 is for engineering and design services.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

**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. Payments to be made with General Fund revenues. The cameras and related equipment are pledged as collateral for the debt. \$ 10,488

\$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. 21,906

\$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. 18,255

Total 50,649

Less current portion 27,526

Total long-term note payable \$ 23,123

<u>Governmental Activities</u>	
<u>Year Ending June 30</u>	<u>Principal</u>
2026	\$ 27,526
2027	17,038
2028	6,085
Total	<u><u>\$ 50,649</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, 2025**

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%.	\$ 1,123,473
\$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%.	109,539
\$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%	1,815,271
\$184,565 agreement with Davidson Water, principal and interest payable in 240 monthly installments of \$1,070 each, includes interest at 3.50%.	62,406
Total interlocal agreements	3,110,689
Less current portion	445,891
Total long-term interlocal agreements	\$ 2,664,798

Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 445,891	\$ 68,588
2027	454,295	60,184
2028	462,874	51,604
2029	305,530	42,838
2030	122,128	37,127
2031-2035	574,778	138,554
2036-2040	651,589	57,461
2041	93,604	936
Total	\$ 3,110,689	\$ 457,292

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, 2025, the City of Archdale governmental funds had a legal debt limit of \$127,448,129 and a legal debt margin of \$124,109,169.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

3. Liabilities for Subscription Assets

The City has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

As of June 30, 2025 the City had sixteen active subscriptions. The subscriptions have payments that range from \$2,397 to \$35,672 and interest rates that range from 1.8503% to 3.5910%. As of June 30, 2025, the total combined value of the subscription liability is \$177,622, and the total combined value of the short-term subscription liability is \$102,583. The combined value of the right-to-use asset, as of June 30, 2025 is \$621,980 with accumulated depreciation of \$369,010.

Debt service for subscription assets:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 93,569	\$ 3,940	\$ 9,014	\$ 837
2027	34,852	1,441	9,285	566
2028	21,338	550	9,564	287
Total	\$ 149,759	\$ 5,931	\$ 27,863	\$ 1,690

4. Changes in Long-Term Liabilities

	Beginning			Ending	Current	Long-Term
	Balance	Increase	Decrease	Balance	Portion of	Portion of
					Balance	Balance
Governmental activities:						
Compensated absences	\$ 355,150	\$ 85,507	\$ -	\$ 440,657	\$ 76,409	\$ 364,248
Direct borrowing - note payable	78,175		27,526	50,649	27,526	23,123
IT subscription liabilities	269,524	9,828	129,593	149,759	93,569	56,190
Net pension liability (LGERS)	2,670,437	-	166,786	2,503,651	-	2,503,651
Net pension liability (LEO)	528,000	-	39,082	488,918	149,574	339,344
Total OPEB liability	186,939	16,446	-	203,385	1,006	202,379
Governmental activity long-term liabilities	\$ 4,088,225	\$ 111,781	362,987	\$ 3,837,019	\$ 348,084	\$ 3,488,935

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

	Beginning			Ending	Current	Long-Term
	Balance	Increase	Decrease	Balance	Portion of	Portion of
					Balance	Balance
<b>Business-type activities:</b>						
<u><b>Water and Sewer Fund</b></u>						
Compensated absences	\$ 36,408	\$ -	\$ 7,722	\$ 28,686	\$ 4,205	\$ 24,481
Agreements from direct borrowings	3,548,349	-	437,660	3,110,689	445,891	2,664,798
IT subscription liabilities	55,960	3,219	33,729	25,450	8,233	17,217
Net pension liability (LGERS)	375,380	-	23,445	351,935	-	351,935
Total OPEB liability	26,281	2,313	-	28,594	142	28,452
Water and Sewer Fund long-term liabilities	4,042,378	5,532	502,556	3,545,354	458,471	3,086,883
<u><b>Stormwater Fund</b></u>						
Compensated absences	16,730	-	(545)	17,275	1,861	15,414
IT subscription liabilities	9,439	712	7,738	2,413	781	1,632
Net pension liability (LGERS)	165,850	-	10,358	155,492	-	155,492
Total OPEB liability	11,601	1,020	-	12,621	62	12,559
Stormwater Fund long-term liabilities	203,620	1,732	17,551	187,801	2,704	185,097
Business-type activity long-term liabilities	\$ 4,245,998	\$ 7,264	\$ 520,107	\$ 3,733,155	\$ 461,175	\$ 3,271,980

**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 2025, the water and sewer fund transferred \$620,000 to the sewer SFRF ARPA capital project fund for budgeted projects.

**I. Net Investment in Capital Assets**

	Governmental Activities	Business-type Activities
Total capital assets	\$ 23,198,268	\$ 26,284,176
Outstanding principal for debt expended on capital assets:		
Agreements from direct borrowings	\$ 50,649	\$ 3,110,689
IT subscription liabilities	149,759	27,863
Other capital related liabilities at year-end	-	63,900
Net investment in capital assets	\$ 22,997,860	\$ 23,081,724

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

**J. Fund Balance**

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

<i>Total fund balance - General Fund</i>	\$ 21,992,582
Less:	
Prepays	15,051
Stabilization by State Statute	2,150,540
Streets - Powell Bill	778,880
Public safety	419,076
Subsequent year's expenditures	1,820,474
Economic development	720,484
Capital	11,000,000
Remaining fund balance	\$ 5,088,077

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, 2025, this minimum amount is \$4,995,771. 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, 2025, encumbrances totaled \$442,290 in the general fund, and \$17,764 in the PARTF project fund for planning and construction management services.

**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 \$2,517 to the Council during the fiscal year ended June 30, 2025.

**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 \$426,631; water purchases of \$431,214; and lab fees of \$4,000 for the 2025 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.

**City of Archdale, North Carolina**  
**Notes to the Financial Statements (continued)**  
**For the Fiscal Year Ended June 30, 2025**

**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 money.

**VI. Adjustments and Restatements of Beginning Balances in Net Position**

For the year ended June 30, 2025, the financial statements included a change in accounting principle to beginning net position of both the Governmental and Business-Type Activities on the Statement of Activities in the amount of \$106,140 and \$17,311, respectively. The Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Funds show restatements to the Water and Sewer Fund and Stormwater Fund for \$10,717 and 6,594, respectively. The restatement is from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, in the fiscal year June 30, 2025. The effect of these changes to or within the reporting entity are shown in the table below.

	Funds		Government-Wide	
	Water and Sewer Fund	Stormwater Fund	Governmental Activities	Business-Type Activities
June 30, 2024, as previously reported	\$ 32,538,199	\$ 1,401,202	\$ 40,786,778	\$ 33,939,401
Change in accounting principle	(10,717)	(6,594)	(106,140)	(17,311)
June 30, 2024, restated	<u>\$ 32,527,482</u>	<u>\$ 1,394,608</u>	<u>\$ 40,680,638</u>	<u>\$ 33,922,090</u>

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>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Archdale's proportion of the net pension liability (asset) (%)	0.04466%	0.04849%	0.05373%	0.04888%	0.05277%
Archdale's proportion of the net pension liability (asset) (\$)	\$ 3,011,078	\$ 3,211,667	\$ 3,031,139	\$ 749,622	\$ 1,885,697
Archdale's covered payroll	\$ 4,088,457	\$ 3,689,558	\$ 3,839,012	\$ 3,382,307	\$ 3,281,424
Archdale's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.65%	87.05%	78.96%	22.16%	57.47%
Plan fiduciary net position as a percentage of the total pension liability *	83.30%	82.49%	84.14%	95.51%	88.61%
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Archdale's proportion of the net pension liability (asset) (%)	0.05233%	0.05193%	0.05198%	0.05158%	0.05414%
Archdale's proportion of the net pension liability (asset) (\$)	\$ 1,429,091	\$ 1,231,957	\$ 794,110	\$ 1,094,700	\$ 242,977
Archdale's covered payroll	\$ 3,105,538	\$ 3,012,287	\$ 2,973,091	\$ 2,804,844	\$ 2,781,194
Archdale's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	46.02%	40.90%	26.71%	39.03%	8.74%
Plan fiduciary net position as a percentage of the total pension liability *	90.86%	91.63%	94.18%	91.47%	98.09%

The amounts presented for each fiscal year were determined as of the prior fiscal year 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 710,557	\$ 544,491	\$ 460,697	\$ 443,516	\$ 349,866
Contributions in relation to the contractually required contribution	710,557	544,491	460,697	443,516	349,866
Contribution deficiency (excess)	<u>\$ -</u>				
Archdale's covered payroll	\$ 5,013,400	\$ 4,088,457	\$ 3,689,558	\$ 3,839,012	\$ 3,382,307
Contributions as a percentage of covered payroll	14.17%	13.32%	12.49%	11.55%	10.34%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 302,348	\$ 247,762	\$ 232,694	\$ 222,466	\$ 190,590
Contributions in relation to the contractually required contribution	302,348	247,762	232,694	222,466	190,590
Contribution deficiency (excess)	<u>\$ -</u>				
Archdale's covered payroll	\$ 3,281,424	\$ 3,105,538	\$ 3,012,287	\$ 2,973,091	\$ 2,804,844
Contributions as a percentage of covered payroll	9.21%	7.98%	7.72%	7.48%	6.80%



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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Total pension liability:</b>			
Service Cost	\$ 36,018	\$ 34,952	\$ 34,353
Interest	70,572	66,881	61,389
Difference between expected and actual experience	111,912	66,381	94,883
Changes of assumptions and other inputs	-	-	-
Benefit payments	<u>(104,384)</u>	<u>(97,817)</u>	<u>(83,749)</u>
<b>Net change in total pension liability</b>	114,118	70,397	106,876
<b>Total pension liability - beginning</b>	1,335,319	1,264,922	1,158,046
<b>Total pension liability - ending (a)</b>	1,449,437	1,335,319	1,264,922
Contributions - employer	154,384	131,817	139,464
Net investment income	103,200	115,848	(125,424)
Benefit payments	(104,384)	(97,817)	(83,749)
Administrative expense	-	-	-
<b>Net change in plan net position</b>	<u>153,200</u>	<u>149,848</u>	<u>(69,709)</u>
<b>Plan fiduciary net position - beginning</b>	807,319	657,471	727,180
<b>Plan fiduciary net position - ending (b)</b>	<u>960,519</u>	<u>807,319</u>	<u>657,471</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 488,918</u>	<u>\$ 528,000</u>	<u>\$ 607,451</u>
Ratio of plan net position to total pension liability	66.27%	60.46%	51.98%
Covered payroll	\$ 1,497,862	\$ 1,492,593	\$ 1,507,985
Net pension liability as a percentage of covered payroll	32.64%	35.37%	40.28%
Changes of Assumptions:			
Assumed rate of return	5.50%	5.50%	5.50%
Assumed inflation rate	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 Nine Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total pension liability:</b>			
Service Cost	\$ 31,676	\$ 27,758	\$ 37,928
Interest	61,275	48,053	32,441
Difference between expected and actual experience	(18,274)	75,226	128,090
Changes of assumptions and other inputs	-	151,589	(144,179)
Benefit payments	<u>(61,429)</u>	<u>(63,030)</u>	<u>(80,637)</u>
<b>Net change in total pension liability</b>	13,248	239,596	(26,357)
<b>Total pension liability - beginning</b>	1,144,798	905,202	931,559
<b>Total pension liability - ending (a)</b>	1,158,046	1,144,798	905,202
Contributions - employer	61,429	63,030	580,637
Net investment income	85,791	78,979	62,410
Benefit payments	(61,429)	(63,030)	(80,637)
Administrative expense	-	-	-
<b>Net change in plan net position</b>	<u>85,791</u>	<u>78,979</u>	<u>562,410</u>
<b>Plan fiduciary net position - beginning</b>	641,389	562,410	-
<b>Plan fiduciary net position - ending (b)</b>	<u>727,180</u>	<u>641,389</u>	<u>562,410</u>
<b>Net pension liability - ending (a) - (b)</b>	<u><u>\$ 430,866</u></u>	<u><u>\$ 503,409</u></u>	<u><u>\$ 342,792</u></u>
Ratio of plan net position to total pension liability	62.79%	56.03%	62.13%
Covered payroll	\$ 1,316,064	\$ 1,320,005	\$ 1,261,294
Net pension liability as a percentage of covered payroll	32.74%	38.14%	27.18%
Changes of Assumptions:			
Assumed rate of return	5.50%	5.50%	5.50%
Assumed inflation rate	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 Nine Fiscal Years**

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

	2025	2024	2023	2022
Actuarially determined employer contribution	\$ 142,703	\$ 111,154	\$ 97,907	\$ 80,455
Actual employer contributions	\$ 156,583	\$ 137,985	\$ 111,799	\$ 103,304
Annual contribution deficiency (excess)	\$ (13,880)	\$ (26,831)	\$ (13,892)	\$ (22,849)
Covered payroll	\$ 1,700,435	\$ 1,519,804	\$ 1,422,784	\$ 1,486,252
Actual contributions as a percentage of covered payroll	9.21%	9.08%	7.86%	6.95%

	2021	2020	2019
Actuarially determined employer contribution	\$ 149,402	\$ 130,687	\$ 125,903
Actual employer contributions	\$ 61,429	\$ 72,633	\$ 575,698
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 2025:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Amortization period	8 years as of December 31, 2022
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 Seven Fiscal Years**

Investment rate of return, net of investment expense

2025	13.33%
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 Eight Fiscal Years**

	2025	2024	2023	2022
Service cost	\$ 11,416	\$ 11,814	\$ 15,665	\$ 19,236
Interest on the total pension liability and cash flows	8,678	8,478	5,568	8,960
Difference between expected and actual experience	-	(19,714)	-	(5,832)
Changes of assumptions and other inputs	(3,214)	(3,143)	(44,983)	(165,495)
Benefit payments and implicit subsidy credit	2,899	(4,759)	(3,789)	(5,258)
Net change in total OPEB liability	19,779	(7,324)	(27,539)	(148,389)
Total OPEB liability - beginning	224,821	232,145	259,684	408,073
Total OPEB liability - ending	<u>\$ 244,600</u>	<u>\$ 224,821</u>	<u>\$ 232,145</u>	<u>\$ 259,684</u>
Covered employee payroll	\$ 3,586,398	\$ 3,586,398	\$ 3,368,217	\$ 3,368,217
Total OPEB liability a percentage of covered employee payroll	6.82%	6.27%	6.89%	7.71%
	2021	2020	2019	2018
Service cost	\$ 18,820	\$ 18,184	\$ 18,895	\$ 20,477
Interest on the total pension liability and cash flows	11,236	11,319	10,070	8,512
Difference between expected and actual experience	-	5,029	44	-
Changes of assumptions and other inputs	61,747	4,300	(14,006)	(23,340)
Benefit payments and implicit subsidy credit	(9,500)	(8,000)	(5,800)	(5,355)
Net change in total OPEB liability	82,303	30,832	9,203	294
Total OPEB liability - beginning	325,770	294,938	285,735	285,441
Total OPEB liability - ending	<u>\$ 408,073</u>	<u>\$ 325,770</u>	<u>\$ 294,938</u>	<u>\$ 285,735</u>
Covered employee payroll	\$ 3,026,895	\$ 3,026,895	\$ 2,790,095	\$ 2,790,095
Total OPEB liability a percentage of covered employee payroll	13.48%	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
2025	3.97%
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, 2025**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes		\$ 4,868,008	
Interest		15,020	
Total	\$ 4,713,180	4,883,028	\$ 169,848
Unrestricted intergovernmental:			
Local option sales taxes		4,730,610	
Reimbursement of sales tax paid		164,471	
Telecommunications sales tax		44,122	
Electric sales tax		576,846	
Piped natural gas sales tax		38,409	
Video programming sales tax		69,055	
Beer and wine tax		48,275	
ABC profit distribution		7,308	
Total	5,449,500	5,679,096	229,596
Restricted intergovernmental:			
Powell Bill allocation		420,512	
Asset Forfeiture Program		103,812	
Solid waste disposal tax		9,318	
Other		159,206	
Total	852,500	692,848	(159,652)
Permits and fees:			
Zoning permits and fees		61,582	
Total	47,000	61,582	14,582
Sales and services:			
Recreation department fees		418,437	
Solid waste		843,627	
Recycling		260,282	
Total	1,443,500	1,522,346	78,846
Investment earnings	789,600	900,065	110,465
Miscellaneous:			
Other		417,775	
Total	54,572	417,775	363,203
Total revenues	13,349,852	14,156,740	806,888

(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, 2025**

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures:</b>			
General government:			
Governing Body			
Salaries and employee benefits		42,446	
Other operating expenditures		8,869	
Total	57,100	51,315	5,785
Administration:			
Salaries and employee benefits		418,953	
Other operating expenditures		21,190	
Total	570,000	440,143	129,857
Information Technology:			
Salaries and employee benefits		350,236	
Software licensing and maintenance		183,235	
Other operating expenditures		119,457	
Debt service		93,406	
Capital outlay		87,791	
Total	944,904	834,125	110,779
Finance:			
Salaries and employee benefits		294,160	
Contracted services		114,530	
Other operating expenditures		19,998	
Total	613,034	428,688	184,346
Legal:			
Contracted services	50,000	37,129	12,871
Facilities and grounds:			
Salaries and employee benefits		378,422	
Other operating expenditures		180,344	
Capital outlay		83,955	
Total	854,444	642,721	211,723
Planning and zoning:			
Salaries and employee benefits		335,169	
Contracted services		64,636	
Other operating expenditures		31,034	
Capital outlay		19,054	
Total	692,600	449,893	242,707
Public safety:			
Police:			
Salaries and employee benefits		3,338,656	
Communications and IT		197,516	
Insurance		116,870	
Other operating expenditures		349,256	
Debt service		69,468	
Capital outlay		155,031	
Total	5,148,251	4,226,797	921,454
Fire:			
Contracted services	32,945	32,945	-
Transportation:			
Streets:			
Salaries and employee benefits		310,525	
Street Lights		189,673	
Other operating expenditures		120,644	
Capital outlay		202,157	
Total	1,243,889	822,999	420,890

**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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Streets-Powell Bill:			
Street repairs and maintenance		358,842	
Other operating expenditures		7,300	
Total	<u>485,000</u>	<u>366,142</u>	<u>118,858</u>
Environmental protection:			
Sanitation:			
Contracted services		1,117,000	
Other operating expenditures		12,671	
Total	<u>1,154,000</u>	<u>1,129,671</u>	<u>24,329</u>
Culture and recreation:			
Parks and recreation:			
Salaries and employee benefits		748,161	
Utilities		71,366	
Repairs and maintenance		58,556	
Athletic and program supplies		73,642	
Other operating expenditures		180,907	
Capital outlay		566,145	
Total	<u>4,722,744</u>	<u>1,698,777</u>	<u>3,023,967</u>
Senior building:			
Other operating expenditures		13,417	
Total	<u>19,100</u>	<u>13,417</u>	<u>5,683</u>
Library:			
Payment to Randolph County		125,403	
Other operating expenditures		50,320	
Total	<u>200,500</u>	<u>175,723</u>	<u>24,777</u>
Community Promotions:			
Senior adult meal program		29,991	
Economic development		119,007	
Contracted services and membership dues		19,253	
Other		11,000	
Total	<u>567,550</u>	<u>179,251</u>	<u>388,299</u>
Nondepartmental:			
Sales tax paid		164,471	
Contingency		-	
Total	<u>201,000</u>	<u>164,471</u>	<u>36,529</u>
Total expenditures	<u>17,557,061</u>	<u>11,694,207</u>	<u>5,862,854</u>
Revenues over (under) expenditures	<u>(4,207,209)</u>	<u>2,462,533</u>	<u>6,669,742</u>
Other financing sources (uses):			
Sale of assets		107,910	
IT subscription agreements	-	9,828	
Total	<u>-</u>	<u>117,738</u>	<u>(117,738)</u>
Fund balance appropriated	<u>4,207,209</u>	<u>-</u>	<u>(4,207,209)</u>
Net change in fund balance	\$ <u>-</u>	2,580,271	\$ <u>2,580,271</u>
Fund balances, beginning		19,412,311	
Fund balances, ending		<u>\$ 21,992,582</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, 2025**

	Actual			Totals to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
PARTF Grant	\$ 500,000	\$ 73,512	\$ 79,715	\$ 153,227	\$ (346,773)
Rural Transformation Grant	180,000	-	-	-	(180,000)
Interest earnings	102,375	1,102	69,857	70,959	(31,416)
	<u>782,375</u>	<u>74,614</u>	<u>149,572</u>	<u>224,186</u>	<u>(558,189)</u>
Total revenues	<u>782,375</u>	<u>74,614</u>	<u>149,572</u>	<u>224,186</u>	<u>(558,189)</u>
<b>Expenditures:</b>					
Culture and recreation:					
Parks and recreation:					
Aldridge Park site furnishings	15,000	-	-	-	15,000
Planning & construction management	200,000	32,263	154,673	186,936	13,064
Drive & parking	168,000	-	-	-	168,000
Aldridge Park entrance	20,000	-	-	-	20,000
Site costs	905,375	-	716	716	904,659
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
Total expenditures	<u>2,268,375</u>	<u>32,263</u>	<u>155,389</u>	<u>187,652</u>	<u>2,080,723</u>
Revenues over (under) expenditures	<u>(1,486,000)</u>	<u>42,351</u>	<u>(5,817)</u>	<u>36,534</u>	<u>1,522,534</u>
<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)
Total	<u>1,486,000</u>	<u>1,485,240</u>	<u>-</u>	<u>1,485,240</u>	<u>(760)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>1,527,591</u>	(5,817)	\$ <u>1,521,774</u>	\$ <u>1,521,774</u>
Fund balances, beginning			1,527,591		
Fund balances, ending			\$ <u>1,521,774</u>		

**City of Archdale, North Carolina**  
**Nonmajor - 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, 2025**

	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	281,380	-	281,380	(18,620)
SCIF grant-equipment shelter	200,000	200,000	-	200,000	-
Total restricted intergovernmental revenue	650,000	631,380	-	631,380	(18,620)
Restricted interest earnings	30,921	30,807	1,440	32,247	1,326
Total revenues	680,921	662,187	1,440	663,627	(17,294)
<b>Expenditures:</b>					
Culture and recreation:					
Parks and recreation:					
Contract services	154,659	171,154	-	171,154	(16,495)
Capital outlay	312,783	264,885	-	264,885	47,898
Transportation:					
Capital outlay	213,479	213,479	-	213,479	-
Total expenditures	680,921	649,518	-	649,518	31,403
Revenues over (under) expenditures	\$ -	\$ 12,669	1,440	\$ 14,109	\$ 14,109
Fund balances, beginning			12,669		
Fund balances, ending			\$ 14,109		

**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, 2025**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Operating revenues:			
Water charges		\$ 2,049,153	
Sewer charges		2,765,363	
Water and sewer taps		34,070	
Other operating revenues		146,989	
Total	<u>\$ 5,005,500</u>	<u>4,995,575</u>	<u>\$ (9,925)</u>
Nonoperating revenues:			
Lease revenue		28,657	
Interest earnings		406,439	
Grants		183,400	
Total	<u>232,500</u>	<u>618,496</u>	<u>385,996</u>
Total revenues	<u>5,238,000</u>	<u>5,614,071</u>	<u>376,071</u>
<b>Expenditures:</b>			
Salaries and employee benefits		908,888	
Water purchases		431,516	
Waste disposal and treatment costs		670,784	
Repairs and maintenance		261,441	
Operating payments to PTRWA		94,412	
Operating payments to High Point		742,606	
Professional services		311,412	
Other operating expenditures		823,721	
Debt service:			
Interest and other charges		75,453	
Principal retirement		471,389	
Capital outlay		65,112	
Total expenditures	<u>5,611,741</u>	<u>4,856,734</u>	<u>755,007</u>
Revenues over (under) expenditures	<u>(373,741)</u>	<u>757,337</u>	<u>1,131,078</u>
<b>Other financing sources (uses)</b>			
Transfer out	(620,000)	(620,000)	-
IT subscription agreements	-	3,219	3,219
Total other financing sources (uses)	<u>(620,000)</u>	<u>(616,781)</u>	<u>3,219</u>
Revenues and other sources over expenditures and other uses	<u>(993,741)</u>	<u>140,556</u>	<u>1,134,297</u>
Net position appropriated	<u>993,741</u>	<u>-</u>	<u>(993,741)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 140,556</u>	<u>\$ 140,556</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, 2025**

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

Revenues and other sources over expenditures and other uses	\$	140,556
Reconciling items:		
Principal retirement		471,389
Capital outlay		189,012
Capital contributions from developer		2,792,000
IT subscription agreements		(3,219)
Decrease in accrued leave pay		7,722
Decrease in deferred outflows of resources -pensions		(32,541)
Decrease in deferred outflows of resources - OPEB		(689)
Decrease in net pension liability		23,445
Increase in deferred inflows of resources - pensions		(2,701)
Decrease in deferred inflows of resources - OPEB		2,987
Increase in OPEB liability		(2,313)
Depreciation and amortization		(1,337,999)
Revenues from Capital Reserve Fund		78,070
Interest income from Capital Reserve Fund		9,616
Interest income from Water and Sewer Capital Fund		142,524
Interest income from Sewer SFRF ARPA Capital Project Fund		974
Revenues from Sewer SFRF ARPA Capital Project Fund		123,900
Transfer in Sewer SFRF ARPA Capital Project Fund		620,000
Sewer SFRF ARPA Capital Project Fund expenses		(123,900)
Total reconciling items		2,958,277
Change in net position	\$	3,098,833

**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, 2025**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Nonoperating revenues:			
Interest earnings		\$ 142,524	
Total revenues	\$ 119,000	142,524	\$ 23,524
Expenditures:			
Capital outlay	580,000	-	580,000
Total expenditures	580,000	-	580,000
Revenues over (under) expenditures	(461,000)	142,524	603,524
Net position appropriated	461,000	-	(461,000)
Revenues and other sources over expenditures and other uses	\$ -	\$ 142,524	\$ 142,524

**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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
System development fees		\$ 78,070	
Interest earnings		<u>9,616</u>	
Total revenues	<u>\$ 30,500</u>	<u>87,686</u>	<u>\$ 57,186</u>
Revenues over (under) expenditures	30,500	87,686	57,186
Other financing sources (uses):			
Transfer out	<u>(30,500)</u>	<u>-</u>	<u>30,500</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 87,686</u>	<u>\$ 87,686</u>

**City of Archdale, North Carolina**  
**Sewer SFRF ARPA 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, 2025**

	Actual			Totals to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:	\$ 3,600,000	\$ -	\$ 123,900	\$ 123,900	\$ (3,476,100)
Interest earnings	-	-	974	974	974
	3,600,000	-	124,874	124,874	-3475126
<b>Expenditures:</b>					
Water and Sewer Fund					
Design/engineering Richland Creek Outfall	468,000	-	92,300	92,300	375,700
Construction Richland Creek Outfall	2,977,000	-	-	-	2,977,000
Design/engineering - sewer line	155,000	-	31,600	31,600	123,400
Total expenditures	3,600,000	-	123,900	123,900	3,476,100
Revenues over (under) expenditures	-	-	974	974	974
<b>Other financing sources (uses):</b>					
Transfer to other funds	(620,000)	-	-	-	620,000
Transfer from other funds	620,000	-	620,000	620,000	-
Total	-	-	620,000	620,000	620,000
Net change in fund balance	\$ -	\$ -	620,974	\$ 620,974	\$ 620,974
Fund balances, beginning			-		
Fund balances, ending			\$ 620,974		

**City of Archdale, North Carolina**  
**Stormwater Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2025**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Stormwater fees		\$ 505,176	
Total	\$ 500,000	505,176	\$ 5,176
Nonoperating revenues:			
Interest earnings		54,407	
Total	44,000	54,407	10,407
Total revenues	544,000	559,583	15,583
Expenditures:			
Salaries and employee benefits		311,880	
Contract services		57,033	
Other operating expenditures		96,321	
Debt service:			
Interest and other charges		40	
Principal retirement		7,738	
Capital outlay		5,712	
Total expenditures	713,435	478,724	234,711
Revenues over (under) expenditures	(169,435)	80,859	250,294
Other financing sources (uses)			
IT subscription agreement	-	712	712
Total other financing sources (uses)	-	712	712
Net position appropriated	169,435	-	(169,435)
Revenues and other sources over expenditures and other uses	\$ -	\$ 81,571	\$ 81,571

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

Revenues and other sources over expenditures and other uses	\$ 81,571
Reconciling items:	
Principal retirement	7,738
Capital outlay	5,712
IT subscription agreements	(712)
Increase in accrued leave pay	(545)
Decrease in deferred outflows of resources - pensions	(14,380)
Decrease in deferred outflows of resources - OPEB	(304)
Decrease in net pension liability	10,358
Increase in deferred inflows of resources - pensions	(1,193)
Decrease in deferred inflows of resources - OPEB	1,318
Increase in OPEB liability	(1,020)
Depreciation and amortization	(88,701)
Total reconciling items	(81,729)
Change in net position	\$ (158)

**City of Archdale, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2025**

Fiscal Year	Uncollected Balance June 30, 2024	Additions	Collections And Credits	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 4,938,615	\$ 4,910,574	\$ 28,041
2023-2024	24,884	-	18,068	6,816
2022-2023	17,342	-	4,197	13,145
2021-2022	3,071	-	942	2,129
2020-2021	2,818	-	762	2,056
2019-2020	1,845	-	288	1,557
2018-2019	1,711	-	253	1,458
2017-2018	1,259	-	244	1,015
2016-2017	1,016	-	245	771
2015-2016	495	-	70	425
2014-2015	353	-	353	-
	<u>\$ 54,794</u>	<u>\$ 4,938,615</u>	<u>\$ 4,935,996</u>	57,413
Less: allowance for uncollectible accounts:				
	General Fund			<u>10,000</u>
	Ad valorem taxes receivable - net			<u>\$ 47,413</u>
<u>Reconciliation to revenues:</u>				
	Ad valorem taxes - General Fund			\$ 4,883,028
	Reconciling items:			
	Interest collected			(15,020)
	Discounts allowed			64,520
	Taxes written off, releases and refunds			3,468
	Subtotal			<u>52,968</u>
	Total collections and credits			<u>\$ 4,935,996</u>

**City of Archdale, North Carolina**  
**Analysis of Current Tax Levy**  
**City - Wide Levy**  
**For the Year Ended June 30, 2025**

	City - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 1,585,366,774	0.31	\$ 4,914,637	\$ 4,442,627	\$ 472,010
Discoveries:					
Current year taxes	11,708,710	0.31	36,297	36,297	-
Abatements	(3,973,871)	0.31	(12,319)	(12,319)	-
Total property valuation	<u>\$ 1,593,101,613</u>				
Net levy			4,938,615	4,466,605	472,010
Uncollected taxes at June 30, 2025			<u>(28,041)</u>	<u>(28,041)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 4,910,574</u>	<u>\$ 4,438,564</u>	<u>\$ 472,010</u>
Current levy collection percentage			<u>99.43%</u>	<u>99.37%</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 annual comprehensive financial report for the relevant year.



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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Net position:</b>					
Governmental activities:					
Net investment in capital assets	\$ 13,990,727	\$ 14,217,643	\$ 15,359,566	\$ 17,209,967	\$ 17,579,389
Restricted	2,070,789	1,831,751	1,909,466	2,496,877	2,273,808
Unrestricted	<u>7,271,322</u>	<u>7,534,635</u>	<u>7,565,571</u>	<u>6,497,381</u>	<u>7,229,447</u>
Total governmental activities net position	<u>\$ 23,332,838</u>	<u>\$ 23,584,029</u>	<u>\$ 24,834,603</u>	<u>\$ 26,204,225</u>	<u>\$ 27,082,644</u>
Business-type activities:					
Net investment in capital assets	\$ 19,355,666	\$ 19,882,981	\$ 19,855,768	\$ 19,994,349	\$ 21,086,589
Restricted	-	-	-	19,074	64,565
Unrestricted	<u>6,345,377</u>	<u>6,667,220</u>	<u>7,658,090</u>	<u>8,342,330</u>	<u>8,048,355</u>
Total business-type activities net position	<u>\$ 25,701,043</u>	<u>\$ 26,550,201</u>	<u>\$ 27,513,858</u>	<u>\$ 28,355,753</u>	<u>\$ 29,199,509</u>
Primary government					
Net investment in capital assets	\$ 33,346,393	\$ 34,100,624	\$ 35,215,334	\$ 37,204,316	\$ 38,665,978
Restricted	2,070,789	1,831,751	1,909,466	2,515,951	2,338,373
Unrestricted	<u>13,616,699</u>	<u>14,201,855</u>	<u>15,223,661</u>	<u>14,839,711</u>	<u>15,277,802</u>
Total primary government net position	<u>\$ 49,033,881</u>	<u>\$ 50,134,230</u>	<u>\$ 52,348,461</u>	<u>\$ 54,559,978</u>	<u>\$ 56,282,153</u>
<hr/>					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Net position:</b>					
Governmental activities:					
Net investment in capital assets	\$ 18,255,346	\$ 18,391,402	\$ 19,051,808	\$ 21,777,426	\$ 22,997,860
Restricted	2,370,602	2,524,178	2,790,486	3,494,735	3,362,605
Unrestricted	<u>7,726,045</u>	<u>8,949,487</u>	<u>13,914,146</u>	<u>15,514,617</u>	<u>17,974,998</u>
Total governmental activities net position	<u>\$ 28,351,993</u>	<u>\$ 29,865,067</u>	<u>\$ 35,756,440</u>	<u>\$ 40,786,778</u>	<u>\$ 44,335,463</u>
Business-type activities:					
Net investment in capital assets	\$ 21,095,109	\$ 20,761,897	\$ 20,851,980	\$ 21,113,005	\$ 23,081,724
Restricted	88,952	112,564	123,652	154,437	242,123
Unrestricted	<u>8,561,539</u>	<u>9,739,481</u>	<u>10,824,557</u>	<u>12,671,959</u>	<u>13,696,918</u>
Total business-type activities net position	<u>\$ 29,745,600</u>	<u>\$ 30,613,942</u>	<u>\$ 31,800,189</u>	<u>\$ 33,939,401</u>	<u>\$ 37,020,765</u>
Primary government					
Net investment in capital assets	\$ 39,350,455	\$ 39,153,299	\$ 39,903,788	\$ 42,890,431	\$ 46,079,584
Restricted	2,459,554	2,636,742	2,914,138	3,649,172	3,604,728
Unrestricted	<u>16,287,584</u>	<u>18,688,968</u>	<u>24,738,703</u>	<u>28,186,576</u>	<u>31,671,916</u>
Total primary government net position	<u>\$ 58,097,593</u>	<u>\$ 60,479,009</u>	<u>\$ 67,556,629</u>	<u>\$ 74,726,179</u>	<u>\$ 81,356,228</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 1,289,975	\$ 1,359,290	\$ 1,531,883	\$ 1,628,795	\$ 2,064,020
Public safety	2,496,393	2,516,738	2,592,063	2,654,576	2,816,346
Transportation	773,384	845,365	823,364	897,076	828,688
Cultural and recreation	984,361	996,670	1,042,565	1,089,605	1,119,161
Environmental protection	764,780	770,273	798,534	826,516	889,737
Community Promotions	63,788	65,635	99,308	96,424	123,687
Interest on Long-Term Debt	45,123	42,180	39,361	24,642	-
Total Governmental Activities Expenses	<u>6,417,804</u>	<u>6,596,151</u>	<u>6,927,078</u>	<u>7,217,634</u>	<u>7,841,639</u>
Business-Type Activities:					
Water and Sewer	3,194,077	3,121,220	3,079,877	3,371,663	3,556,714
Stormwater	380,706	362,618	358,689	372,105	494,206
	<u>3,574,783</u>	<u>3,483,838</u>	<u>3,438,566</u>	<u>3,743,768</u>	<u>4,050,920</u>
Total primary government expenses	<u>\$ 9,992,587</u>	<u>\$ 10,079,989</u>	<u>\$ 10,365,644</u>	<u>\$ 10,961,402</u>	<u>\$ 11,892,559</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ -	\$ 18,085	\$ 19,567	\$ 24,796	\$ 17,500
Cultural and recreation	170,949	167,635	173,128	213,189	185,544
Environmental protection	800,439	811,143	827,247	830,262	836,600
Operating grants and contributions:					
General government	11,010	-	2,780	3,738	29,594
Public safety	36,969	26,684	30,711	123,345	68,878
Transportation	309,426	339,195	338,121	338,485	331,161
Cultural and recreation	61,200	25,000	130,000	39,400	42,001
Environmental protection	487	15,940	8,042	8,994	9,208
Community promotions	7,682	-	-	-	46,107
Capital grants and contributions:					
General government	-	-	17,882	904	10,370
	-	-	-	-	-
Transportation	713,350	-	-	-	19,000
Cultural and recreation	18,450	-	179,600	136,292	27,148
Total governmental activities program revenues	<u>2,129,962</u>	<u>1,403,682</u>	<u>1,727,078</u>	<u>1,719,405</u>	<u>1,623,111</u>
Business-type activities:					
Water and sewer:					
Charges for services	3,583,762	3,703,570	3,823,802	3,967,487	4,157,853
Operating grants and contributions	25,743	26,376	27,167	-	3,899
Capital grants and contributions	745,885	87,928	-	19,074	119,742
Stormwater:					
Charges for services	485,013	491,207	493,498	494,660	494,094
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>4,840,403</u>	<u>4,309,081</u>	<u>4,344,467</u>	<u>4,481,221</u>	<u>4,775,588</u>
Total primary government program revenues	<u>\$ 6,970,365</u>	<u>\$ 5,712,763</u>	<u>\$ 6,071,545</u>	<u>\$ 6,200,626</u>	<u>\$ 6,398,699</u>

(continued)

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 1,997,765	\$ 2,109,177	\$ 2,236,836	\$ 2,442,302	\$ 2,945,519
Public safety	2,859,397	3,134,455	3,507,895	3,772,428	4,509,885
Transportation	824,078	917,099	941,089	1,087,187	1,453,515
Cultural and recreation	1,197,902	1,327,615	1,751,505	1,068,375	1,811,214
Environmental protection	949,781	969,167	1,010,187	1,623,637	1,129,671
Community Promotions	257,286	181,022	242,485	91,545	179,251
Interest on Long-Term Debt	-	-	4,098	5,966	5,755
Total Governmental Activities Expenses	<u>8,086,209</u>	<u>8,638,535</u>	<u>9,694,095</u>	<u>10,091,440</u>	<u>12,034,810</u>
Business-Type Activities:					
Water and Sewer	3,834,113	3,879,828	3,826,734	4,191,256	5,662,322
Stormwater	512,722	483,658	489,716	549,512	559,741
	<u>4,346,835</u>	<u>4,363,486</u>	<u>4,316,450</u>	<u>4,740,768</u>	<u>6,222,063</u>
Total primary government expenses	<u>\$ 12,433,044</u>	<u>\$ 13,002,021</u>	<u>\$ 14,010,545</u>	<u>\$ 14,832,208</u>	<u>\$ 18,256,873</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 16,225	\$ 28,803	\$ 33,379	\$ 67,089	\$ 61,582
Cultural and recreation	184,773	248,693	335,074	401,191	418,437
Environmental protection	896,931	936,940	966,799	1,039,341	1,103,909
Operating grants and contributions:					
General government	16,041	37,336	46,120	10,044	41,758
Public safety	254,672	65,717	175,463	185,190	152,101
Transportation	304,613	350,546	376,058	424,157	450,579
Cultural and recreation	37,231	26,678	177,514	69,445	351,677
Environmental protection	17,518	12,815	13,947	12,514	56,053
Community promotions	128,165	91,075	125,000	-	88,007
Capital grants and contributions:					
General government	-	-	-	-	-
Public safety	-	-	300,000	-	-
Transportation	-	258	24,215	1,861,558	1,493,241
Cultural and recreation	74,672	216,247	320,820	93,679	81,155
Total governmental activities program revenues	<u>1,930,841</u>	<u>2,015,108</u>	<u>2,894,389</u>	<u>4,164,208</u>	<u>4,298,499</u>
Business-type activities:					
Water and sewer:					
Charges for services	4,295,429	4,658,876	4,635,013	4,819,128	5,024,232
Operating grants and contributions	-	-	-	-	183,400
Capital grants and contributions	40,741	23,450	7,020	933,175	2,993,970
Stormwater:					
Charges for services	495,077	496,211	497,978	511,774	505,176
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>4,831,247</u>	<u>5,178,537</u>	<u>5,140,011</u>	<u>6,264,077</u>	<u>8,706,778</u>
Total primary government program revenues	<u>\$ 6,762,088</u>	<u>\$ 7,193,645</u>	<u>\$ 8,034,400</u>	<u>\$ 10,428,285</u>	<u>\$ 13,005,277</u>

(continued)

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total net (expense) revenue by program:</b>					
Governmental activities:					
General government	\$ (923,161)	\$ (1,341,205)	\$ (1,491,654)	\$ (1,599,357)	\$ (2,006,556)
Public safety	(764,293)	(2,490,054)	(2,561,352)	(2,531,231)	(2,747,468)
Transportation	(56,106)	(506,170)	(485,243)	(558,591)	(478,527)
Cultural and recreation	(34,113)	(804,035)	(559,837)	(700,724)	(864,468)
Environmental protection	(6,380,835)	56,810	36,755	12,740	(43,929)
Community promotions	713,350	(65,635)	(99,308)	(96,424)	(77,580)
Interest on Long-Term Debt	(3,194,077)	(42,180)	(39,361)	(24,642)	-
Total Governmental activities	<u>\$ (10,639,235)</u>	<u>\$ (5,192,469)</u>	<u>\$ (5,200,000)</u>	<u>\$ (5,498,229)</u>	<u>\$ (6,218,528)</u>
Business-type activities:					
Water and sewer	485,013	696,654	771,092	614,898	724,780
Stormwater	(9,992,587)	128,589	134,809	122,555	(112)
Total Business-type activities	<u>\$ (9,507,574)</u>	<u>\$ 825,243</u>	<u>\$ 905,901</u>	<u>\$ 737,453</u>	<u>\$ 724,668</u>
Total net program (expense) revenue	<u>\$ (20,146,809)</u>	<u>\$ (4,367,226)</u>	<u>\$ (4,294,099)</u>	<u>\$ (4,760,776)</u>	<u>\$ (5,493,860)</u>
<b>General revenues and transfers</b>					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 2,708,328	\$ 2,746,614	\$ 2,843,427	\$ 2,900,887	\$ 3,079,009
Other taxes	1,269	1,962	1,770	-	-
Grants and contributions not restricted to specific programs	3,015,823	3,324,876	3,454,666	3,618,849	3,737,166
Investment earnings, unrestricted	33,256	55,155	130,712	210,225	141,838
Miscellaneous	45,676	85,565	58,164	137,890	138,934
Transfers	-	-	-	-	-
Total governmental activities general revenues and transfers	<u>5,804,352</u>	<u>6,214,172</u>	<u>6,488,739</u>	<u>6,867,851</u>	<u>7,096,947</u>
Business-type activities:					
Water and sewer:					
Investment earnings, unrestricted	20,484	23,915	52,293	104,442	119,088
Miscellaneous	-	-	-	-	-
Transfers	-	-	-	-	-
Stormwater:					
Transfers	-	-	-	-	-
Total business-type activities general revenues and transfers	<u>20,484</u>	<u>23,915</u>	<u>52,293</u>	<u>104,442</u>	<u>119,088</u>
Total primary government	<u>\$ 5,824,836</u>	<u>\$ 6,238,087</u>	<u>\$ 6,541,032</u>	<u>\$ 6,972,293</u>	<u>\$ 7,216,035</u>
Change in Net Position					
Governmental activities	(4,834,883)	1,021,703	1,288,739	1,369,622	878,419
Business-type activities	(9,487,090)	849,158	958,194	841,895	843,756
<b>Total Change in Net Position</b>	<u>\$ (14,321,973)</u>	<u>\$ 1,870,861</u>	<u>\$ 2,246,933</u>	<u>\$ 2,211,517</u>	<u>\$ 1,722,175</u>

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Total net (expense) revenue by program:</b>					
Governmental activities:					
General government	\$ (1,965,499)	\$ (2,043,038)	\$ (2,157,337)	\$ (2,365,169)	\$ (2,842,179)
Public safety	(2,604,725)	(3,068,738)	(3,032,432)	(3,587,238)	(4,357,784)
Transportation	(519,465)	(566,295)	(540,816)	1,198,528	490,305
Cultural and recreation	(901,226)	(835,997)	(918,097)	(504,060)	(959,945)
Environmental protection	(35,332)	(19,412)	(29,441)	(571,782)	30,291
Community promotions	(129,121)	(89,947)	(117,485)	(91,545)	(91,244)
Interest on Long-Term Debt	-	-	(4,098)	(5,966)	(5,755)
Total Governmental activities	<u>\$ (6,155,368)</u>	<u>\$ (6,623,427)</u>	<u>\$ (6,799,706)</u>	<u>\$ (5,927,232)</u>	<u>\$ (7,736,311)</u>
Business-type activities:					
Water and sewer	502,057	802,498	815,299	1,561,047	2,539,280
Stormwater	(17,645)	12,553	8,262	(37,738)	(54,565)
Total Business-type activities	<u>\$ 484,412</u>	<u>\$ 815,051</u>	<u>\$ 823,561</u>	<u>\$ 1,523,309</u>	<u>\$ 2,484,715</u>
Total net program (expense) revenue	<u>\$ (5,670,956)</u>	<u>\$ (5,808,376)</u>	<u>\$ (5,976,145)</u>	<u>\$ (4,403,923)</u>	<u>\$ (5,251,596)</u>
<b>General revenues and transfers</b>					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 3,133,079	\$ 3,370,920	\$ 3,554,061	\$ 4,737,877	\$ 4,887,517
Other taxes	-	-	-	-	-
Grants and contributions not restricted to specific programs	4,203,643	4,763,585	8,524,755	5,253,085	5,514,625
Investment earnings, unrestricted	5,079	19,782	562,541	922,843	917,883
Miscellaneous	82,916	13,967	49,722	43,765	71,111
Transfers	-	(31,753)	-	-	-
Total governmental activities general revenues and transfers	<u>7,424,717</u>	<u>8,136,501</u>	<u>12,691,079</u>	<u>10,957,570</u>	<u>11,391,136</u>
Business-type activities:					
Water and sewer:					
Investment earnings, unrestricted	28,260	21,538	362,686	615,903	613,960
Miscellaneous	33,419	-	-	-	-
Transfers	-	25,674	-	-	-
Stormwater:					
Transfers	-	6,079	-	-	-
Total business-type activities general revenues and transfers	<u>61,679</u>	<u>53,291</u>	<u>362,686</u>	<u>615,903</u>	<u>613,960</u>
Total primary government	<u>\$ 7,486,396</u>	<u>\$ 8,189,792</u>	<u>\$ 13,053,765</u>	<u>\$ 11,573,473</u>	<u>\$ 12,005,096</u>
Change in Net Position					
Governmental activities	1,269,349	1,513,074	5,891,373	5,030,338	3,654,825
Business-type activities	546,091	868,342	1,186,247	2,139,212	3,098,675
<b>Total Change in Net Position</b>	<u>\$ 1,815,440</u>	<u>\$ 2,381,416</u>	<u>\$ 7,077,620</u>	<u>\$ 7,169,550</u>	<u>\$ 6,753,500</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Fund Balance</b>					
General Fund					
Nonspendable:					
Prepaid items	\$ 1,431	\$ 23,941	\$ 136,118	\$ 15,824	\$ 11,162
Restricted:					
Stabilization by State Statute	1,138,833	1,043,101	1,119,896	1,695,177	1,367,630
Streets - Powell Bill	727,345	661,346	691,017	626,977	655,803
Public Safety	203,615	127,304	98,552	174,723	213,185
Assigned:					
Economic Development	441,691	511,191	577,134	606,621	626,621
Capital	1,614,896	3,014,232	3,027,481	2,819,198	1,934,500
Subsequent Year's Expenditure	-	-	-	119,469	1,514,072
Unassigned	5,858,299	5,537,795	5,429,516	3,984,040	4,539,905
<b>Total general fund</b>	<u>\$ 9,986,110</u>	<u>\$ 10,918,910</u>	<u>\$ 11,079,714</u>	<u>\$ 10,042,029</u>	<u>\$ 10,862,878</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ -	\$ -	\$ -	\$ -	\$ 37,190
Assigned:					
Grant Project Fund	-	-	47,134	116,310	79,171
<b>Total all other governmental funds</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,134</u>	<u>\$ 116,310</u>	<u>\$ 116,361</u>

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Fund Balance</b>					
General Fund					
Nonspendable:					
Prepaid items	\$ 11,584	\$ 40,720	\$ 15,237	\$ 15,737	\$ 15,051
Restricted:					
Stabilization by State Statute	1,585,605	1,735,395	1,855,946	2,403,323	2,150,540
Streets	620,497	599,986	617,656	688,132	778,880
Public Safety	170,907	187,959	300,038	390,611	419,076
Assigned:					
Economic Development	651,621	676,621	670,484	695,484	720,484
Capital	2,500,000	2,000,000	5,669,164	6,121,900	11,000,000
Subsequent Year's Expenditure	877,199	3,342,430	3,357,820	3,470,370	1,820,474
Unassigned	5,354,722	4,377,754	5,854,203	5,626,754	5,088,077
<b>Total general fund</b>	<u>\$ 11,772,135</u>	<u>\$ 12,960,865</u>	<u>\$ 18,340,548</u>	<u>\$ 19,412,311</u>	<u>\$ 21,992,582</u>
All other governmental funds					
Restricted:					
Grant Project Funds	\$ -	\$ 838	\$ 16,846	\$ 12,669	\$ 14,109
Assigned:					
Grant Project Funds	-	3,163	-	1,527,591	1,521,774
<b>Total all other governmental funds</b>	<u>\$ -</u>	<u>\$ 4,001</u>	<u>\$ 16,846</u>	<u>\$ 1,540,260</u>	<u>\$ 1,535,883</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues</b>					
Ad Valorem Taxes	\$ 2,712,076	\$ 2,749,483	\$ 2,845,328	\$ 2,893,656	\$ 3,072,068
Other Taxes and Licenses	1,269	1,962	1,770	-	-
Unrestricted Intergovernmenta	3,015,823	3,324,876	3,454,666	3,618,849	3,737,166
Restricted Intergovernmenta	428,387	382,222	672,182	618,234	521,640
Licenses and Permits	12,440	18,085	18,015	12,825	17,500
Sales and Services	971,388	978,778	996,528	1,043,577	1,022,144
Investment Earnings	39,547	66,809	131,603	224,986	168,182
Miscellaneous	34,580	92,086	61,927	161,871	102,374
<b>Total Revenues</b>	<u>7,215,510</u>	<u>7,614,301</u>	<u>8,182,019</u>	<u>8,573,998</u>	<u>8,641,074</u>
<b>Expenditures</b>					
General Government	1,169,373	1,194,693	1,370,344	1,445,494	1,792,197
Public Safety	2,371,661	2,277,393	2,352,153	2,939,951	2,511,133
Public Works	728,270	788,192	762,947	834,060	699,709
Sanitation	764,780	770,273	798,534	826,516	889,737
Cultural and Recreation	800,747	789,375	836,989	823,275	847,594
Community Promotions	63,788	65,635	99,308	96,424	123,687
Capital Outlay	459,717	660,467	1,634,372	1,144,104	1,014,113
Debt Service:					
Principal	105,263	105,263	105,263	1,412,281	-
Interest	45,123	42,180	39,361	24,642	-
<b>Total Expenditures</b>	<u>6,508,722</u>	<u>6,693,471</u>	<u>7,999,271</u>	<u>9,546,747</u>	<u>7,878,170</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	706,788	920,830	182,748	(972,749)	762,904
<b>Other Financing Sources (Uses), Net</b>					
Operating Transfers	-	-	-	-	-
Proceeds from Issuance of Debt	-	-	-	-	-
Insurance Recovery	-	-	-	-	-
Sale of Capital Assets	14,414	11,970	25,190	4,240	57,996
Restricted Donation & Fee In-lic	20,450	-	-	-	-
<b>Total Change in Fund Balance</b>	<u>\$ 741,652</u>	<u>\$ 932,800</u>	<u>\$ 207,938</u>	<u>\$ (968,509)</u>	<u>\$ 820,900</u>
Debt Service as a Percentage of Noncapital Expenditures	2.49%	2.44%	2.27%	17.10%	0.00%

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues</b>					
Ad Valorem Taxes	\$ 3,142,560	\$ 3,370,105	\$ 3,536,397	\$ 4,736,720	\$ 4,883,028
Unrestricted Intergovernmenta	4,203,643	4,550,450	5,068,726	5,253,085	5,679,096
Restricted Intergovernmenta	808,382	761,639	4,904,561	860,838	772,563
Licenses and Permits	16,225	28,803	28,879	67,089	61,582
Sales and Services	1,081,704	1,185,633	1,301,813	1,440,532	1,522,346
Investment Earnings	5,547	21,546	585,577	916,997	971,362
Miscellaneous	42,744	72,511	136,802	254,623	417,775
<b>Total Revenues</b>	<u>9,300,805</u>	<u>9,990,687</u>	<u>15,562,755</u>	<u>13,529,884</u>	<u>14,307,752</u>
<b>Expenditures</b>					
General Government	1,754,696	1,968,296	1,935,312	2,130,720	2,599,808
Public Safety	2,595,278	3,056,356	3,044,935	3,312,694	4,035,243
Public Works	701,967	822,783	818,025	871,298	986,984
Sanitation	949,781	969,167	1,010,187	1,068,375	1,129,671
Cultural and Recreation	900,775	1,028,825	1,374,264	1,196,649	1,476,445
Community Promotions	257,286	181,022	242,485	91,545	179,251
Nondepartmental-sales tax paid	-	-	-	-	164,471
Capital Outlay	1,412,360	781,706	2,040,804	2,279,119	1,114,849
Debt Service:					
Principal	-	10,488	117,990	148,220	157,119
Interest	-	-	4,098	5,966	5,755
<b>Total Expenditures</b>	<u>8,572,143</u>	<u>8,818,643</u>	<u>10,588,100</u>	<u>11,104,586</u>	<u>11,849,596</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	728,662	1,172,044	4,974,655	2,425,298	2,458,156
<b>Other Financing Sources (Uses), Net</b>					
Operating Transfers	-	(31,753)	-	-	-
IT Subscription Agreements	-	-	363,108	139,454	9,828
Sale of Capital Assets	64,234	52,440	-	-	107,910
Issuance of Debt	-	-	54,765	30,425	-
<b>Total Change in Fund Balance</b>	<u>\$ 792,896</u>	<u>\$ 1,192,731</u>	<u>\$ 5,392,528</u>	<u>\$ 2,595,177</u>	<u>\$ 2,575,894</u>
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.13%	1.43%	1.75%	1.52%

**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>
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
2025	4,883,028	4,730,610	728,432	48,275	9,318	10,399,663
Change from 2016 to 2025	80.05%	107.65%	6.40%	-7.41%	21.30%	81.35%

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		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	Estimated Actual Value		
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
2025	1,297,929,328	1,691,333,006	273,588,379	21,583,906	1,593,101,613	1,986,505,291	80.20%	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
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%
2025	77.30%	61.00%

**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
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
2025	0.31	0.5000	0.1500	0.0803	1.0403	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, 2025 and 2016

<u>Taxpayer</u>	<u>Type of Enterprise</u>	<u>Fiscal Year 2025</u>	
		<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Sealy Inc.	Mattress Manufacturer	\$ 32,930,761	2.07%
Hafele America Co	Architectural Hardware Manufacturer	29,922,863	1.88%
J L Darr & Son	Real Estate Developer/Contractor	23,963,979	1.50%
Thomas Built Buses	Bus Manufacturer	18,660,501	1.17%
Desco EF LLC	Real Estate Development	14,863,080	0.93%
PC NC Brookwood LLC	Property Management/Rental	14,425,460	0.91%
CC SFA BTS LLC	Real Estate Development	12,774,480	0.80%
Daly GC INC	Hotel Developer/Management	10,412,627	0.65%
Duke Energy Carolinas LLC	Utility	9,984,532	0.63%
Salem Leasing	Trailer Rental/Leasing Services	8,068,342	0.51%
Total		<u>\$ 176,006,625</u>	11.05%

<u>Taxpayer</u>	<u>Type of Enterprise</u>	<u>Fiscal Year 2016</u>	
		<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Sealy Inc.	Mattress Manufacturer	\$ 23,904,798	2.52%
J L Darr & Son	Real Estate Developer/Contractor	15,462,156	1.63%
Thomas Built Buses	Bus Manufacturer	12,731,488	1.34%
Hafele America Co	Architectural Hardware Manufacturer	10,619,246	1.12%
BMA Brookwood Apartments LLC	Property Management/Rental	8,493,580	0.90%
Daly GC, Inc.	Hotel Developer/Management	8,149,610	0.86%
Salem Leasing Corp	Trailer Rental/Leasing Services	6,300,177	0.66%
Alexandra Holdings, Inc.	Real Estate Developer/Management	5,582,589	0.59%
North State Telephone	Communications	5,241,376	0.55%
Ace Avant Concrete	Concrete Construction	4,740,931	0.50%
Total		<u>\$ 101,225,951</u>	10.67%

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>				
2016	\$ 2,751,528	\$ 2,743,898	99.72%	\$ 7,205	\$ 2,751,103	99.97%	\$ 425
2017	\$ 2,793,767	\$ 2,785,319	99.70%	\$ 7,677	\$ 2,792,996	99.96%	\$ 771
2018	\$ 2,878,704	\$ 2,869,950	99.70%	\$ 7,739	\$ 2,877,689	99.94%	\$ 1,015
2019	\$ 2,942,226	\$ 2,924,573	99.40%	\$ 16,195	\$ 2,940,768	99.91%	\$ 1,458
2020	\$ 3,120,385	\$ 3,101,190	99.38%	\$ 17,638	\$ 3,118,828	99.80%	\$ 1,557
2021	\$ 3,172,824	\$ 3,154,434	99.42%	\$ 16,334	\$ 3,170,768	99.42%	\$ 2,056
2022	\$ 3,412,779	\$ 3,393,017	99.42%	\$ 17,633	\$ 3,410,650	99.94%	\$ 2,129
2023	\$ 3,589,446	\$ 3,552,755	98.98%	\$ 23,546	\$ 3,576,301	99.63%	\$ 13,145
2024	\$ 4,793,501	\$ 4,768,617	99.48%	\$ 18,068	\$ 4,768,617	99.48%	\$ 6,816
2025	\$ 4,938,615	\$ 4,910,574	99.43%	N/A	\$ 4,910,574	99.43%	\$ 28,041

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, 99.46% 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>
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%
2025	1,593,101,613	127,448,129	3,338,960	124,109,169	2.620%

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, 2025 outstanding debt in governmental activities consists of installment purchases for \$50,649 and IT subscription liabilities totaling \$149,759.

Outstanding debt in business-type activities consists of IT subscription liabilities of \$27,863 and interlocal agreements in the water and sewer fund totaling \$3,110,689.

**CITY OF ARCHDALE, NORTH CAROLINA**  
 Computation of Direct and Overlapping Governmental Activities Debt  
 June 30, 2025

<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	109,644,175		
Notes payable	12,166,667		
Leases payable	222,054		
IT subscription liability	532,116		
Total direct debt	<u>122,565,012</u>	8.19%	\$ 10,040,035
<b>Guilford County</b>			
General obligation bonds	1,186,995,000		
Unamortized bond premium	114,910,013		
Limited obligation bonds	16,845,000		
Installment financing debt	12,609,476		
Leases payable	1,239,140		
IT subscription liability	2,680,487		
Total direct debt	<u>1,335,279,116</u>	0.06%	<u>774,970</u>
Subtotal, overlapping debt			10,815,005
<b>City of Archdale</b>			
Note payable	50,649		
IT subscription liability	149,759		
	<u>200,408</u>		<u>200,408</u>
Total direct and overlapping debt			<u>\$ 11,015,413</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 Direct Borrowing	SBITA			
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	0.75%	368
2024	78,175	269,524	3,548,349	65,399	3,961,447	0.67%	331
2025	50,649	149,759	3,110,689	27,863	3,338,960	0.56%	276

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 2024 and 2025 were calculated using personal income amounts for 2023, the last year data is available.

**CITY OF ARCHDALE, NORTH CAROLINA**

Demographic Statistics

Last Ten Fiscal Years

<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>
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	147,458	7,220,998	48,970	3.6%	4,507
2024	11,985	(5)	(5)	(5)	4.3%	4,596
2025	12,104	(5)	(5)	(5)	3.5%	(5)

- 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 June 2025 unemployment rate, not seasonally adjusted, is 3.9%.
  - (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, 2025 and 2016

<b>Fiscal Year 2025</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	1,214 *	1.820%
Sealy, Inc.	Mattress Manufacturer	380	0.570%
Ace/Avant Concrete Construction Co., Inc.	Concrete Construction	300	0.450%
Hafele America Company	Architectural Hardware Manufacturer	261	0.391%
Hubbell Industrial Controls, Inc	Industrial Controls Equipment	181	0.271%
Dar/Ran Furniture Industries, Inc.	Furniture Manufacturer	162	0.243%
Stickley Fine Upholstery	Furniture Manufacturer	160	0.240%
Randolph County School System	Public School System	142 **	0.213%
Hendrix Batting Company, Inc	Cotton batting	140	0.210%
Future Foam, Inc	Foam Fabrications	100	0.150%

<b>Fiscal Year 2016</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 *	1.455%
United Furniture of NC, LLC	Furniture Manufacturer	500 *	0.774%
Sealy, Inc.	Mattress Manufacturer	352	0.545%
Ace/Avant Concrete Construction Co., Inc.	Concrete Construction	240	0.371%
Hafele America Company	Architectural Hardware Manufacturer	231	0.358%
Hendrix Batting Company, Inc.	Cotton Batting Manufacturer	160	0.248%
Stickley Fine Upholstery	Furniture Manufacturer	158	0.245%
Dar/Ran Furniture Industries, Inc.	Furniture Manufacturer	156	0.241%
Hubbell Industrial Controls, Inc.	Commercial Equipment	145	0.224%
Brookline Furniture	Furniture Manufacturer	125	0.193%

Information for 2025 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.

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

	2016	2017	2018	2019	2020
<b>Public Safety:</b>					
Calls for Service	12,633	13,426	12,855	12,570	12,922
Traffic Accidents	531	521	522	523	449
Vice/Narcotic Calls	71	164	208	158	135
Animal Control Calls	617	553	562	720	557
<b>Planning &amp; Zoning:</b>					
Zoning Permits Issued	110	78	113	78	145
Complaints Investigated	149	186	128	257	248
Zoning Cases Prepared	15	28	11	12	19
<b>Public Works:</b>					
Leaf & Limb Pick-Up	Yes	Yes	Yes	Yes	Yes
<b>Culture and Recreation:</b>					
Summer Camp Participants	95	155	111	119	75
Youth Athletic Program Participants	768	754	789	770	600
Adult Athletic Program Participants	140	185	262	260	250
After School Program Participants	52	64	53	66	71
Senior Adult Participants	100	308	327	373	231
<b>Utility System:</b>					
Number of Water Accounts Billed - June	4,856	4,889	4,937	4,956	4,836
Gallons of Water Billed	245,930,570	246,531,294	246,538,860	258,433,555	251,438,139
Sewer Treatment Gallons	402,390,122	357,753,810	333,062,023	457,548,961	396,259,174

	2021	2022	2023	2024	2025
<b>Public Safety:</b>					
Calls for Service	11,673	14,509	12,425	10,882	11,494
Traffic Accidents	495	459	534	520	519
Vice/Narcotic Calls	130	145	109	87	76
Animal Control Calls	521	565	609	596	616
<b>Planning &amp; Zoning:</b>					
Zoning Permits Issued	118	115	66	144	105
Complaints Investigated	246	245	202	287	264
Zoning Cases Prepared	16	16	24	15	8
<b>Public Works:</b>					
Leaf & Limb Pick-Up	Yes	Yes	Yes	Yes	Yes
<b>Culture and Recreation:</b>					
Summer Camp Participants	74	99	110	135	154
Youth Athletic Program Participants	535	855	1,313	1,541	1,475
Adult Athletic Program Participants	221	265	220	327	390
After School Program Participants	58	56	63	75	85
Senior Adult Participants	50	250	250	250	250
<b>Utility System:</b>					
Number of Water Accounts Billed - June	4,915	4,931	4,950	4,955	4,977
Gallons of Water Billed	251,532,674	255,272,130	252,719,956	253,170,638	246,812,675
Sewer Treatment Gallons	410,242,792	347,975,686	364,976,096	352,299,525	367,212,510

Sources: City Departments.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government	15.5	17	17	17	17
Public Safety:					
Sworn Officers	25	25	25	25	25
Civilian	6	6	6	6	6
Public Works	3.5	4.5	4.5	4.5	3
Cultural & Recreation	6	6	6	6	6
General Fund	56	58.5	58.5	58.5	57
Enterprise Fund	11	10.5	10.5	10.5	12
City Total	<u>67</u>	<u>69</u>	<u>69</u>	<u>69</u>	<u>69</u>

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government	17	17	18	19	20
Public Safety:					
Sworn Officers	26	30	30	30	30
Civilian	6	6	6	6	6
Public Works	4	3	3	3	3
Cultural & Recreation	6	6	6	6	8
General Fund	59	62	63	64	67
Enterprise Fund	12	13	13	13	13
City Total	<u>71</u>	<u>75</u>	<u>76</u>	<u>77</u>	<u>80</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Municipal Facilities:	8	8	9	9	9
Public Safety:					
Police Vehicles	31	32	30	30	30
Public Works:					
Streets (Miles-Paved)	51.82	53.37	53.37	53.37	53.37
Streets (Miles-Unpaved)	1.24	1.24	1.32	1.32	1.32
Sidewalks (Linear Feet)	39,369	43,466	43,510	43,510	44,334
Culture and Recreation:					
Park Acreage	101.0	101.0	101.0	101.4	106.3
Tennis Courts	4	4	4	4	4
Ball Fields	6	6	6	6	6
Playgrounds	3	3	3	3	2
Sand Volleyball Courts		-	-	2	2
Outdoor Basketball Courts		-	-	-	1
Picnic Shelters	2	2	2	5	5
Greenways (Linear Feet)	17,156	17,448	17,448	17,448	17,448
Utility System:					
Pump Stations	10	10	10	10	10

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Municipal Facilities:	9	10	10	10	10
Public Safety:					
Police Vehicles	35	37	43	42	39
Public Works:					
Streets (Miles-Paved)	53.37	50.69	50.69	51.63	52.99
Streets (Miles-Unpaved)	1.32	1.32	1.32	1.32	1.32
Sidewalks (Linear Feet)	44,334	44,334	44,334	47,788	50,697
Culture and Recreation:					
Park Acreage (1)	106.3	112.7	114.3	114.3	114.3
Tennis Courts	4	4	4	4	4
Ball Fields	3	5	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	6	6	6	6	6
Greenways (Linear Feet)	17,448	17,448	19,765	19,838	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 paved path winding through a dense forest. The path is dark asphalt and curves to the right. The trees are tall and thin, with vibrant green leaves. Sunlight filters through the canopy, creating dappled shadows on the path. A large, thick tree trunk is visible on the left side of the path. The overall scene is bright and natural.

***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, 2025, 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 December 17, 2025.

### **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 City'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  
December 17, 2025

# 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, 2025. 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, 2025.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 the 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 the 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  
December 17, 2025



**CITY OF ARCHDALE, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**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

**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, 2025**

None reported

**CITY OF ARCHDALE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2025**

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		\$ 76,135	\$ -	\$ -
<b><u>U.S. Department of Treasury</u></b>					
Passed through the N.C. Department of Commerce					
COVID19-Corona Virus State and Local Fiscal Recovery Funds - ARPA Rural Transformation Grant Fund	21.027	SA-0240	30,067	-	-
Passed through the N.C. Department of Environmental Quality					
COVID19-Corona Virus State and Local Fiscal Recovery Funds - ARPA Asset Inventory & Assessment Grant (AIA), AIA-D-ARP-0080	21.027	ARP-0080	183,400	-	-
COVID19-Corona Virus State and Local Fiscal Recovery Funds - American Rescue Plan Act - SRP-ARPA, SRP-W-ARP-0348	21.027	ARP-0348	123,900	-	-
<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			-	79,837	-
<b><u>N.C. Department of Transportation</u></b>					
Powell Bill			-	373,177	-
<b><u>N.C. Department of Commerce</u></b>					
N.C. Rural Infrastructure Authority					
Rural Economic Development Grant			-	88,007	-
<b><u>N.C. Office of State Budget and Management</u></b>					
State Construction and Infrastructure Fund (SCIF) Grant - Greenway Expansion		10032	-	-	-
Total assistance			<u>\$ 413,502</u>	<u>\$ 541,021</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, 2025. 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.

