

**CITY OF ASHEBORO,  
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

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

Prepared by:

Finance Department

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CITY OF ASHEBORO, NORTH CAROLINA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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## **INTRODUCTORY SECTION**



**City of Asheboro**  
146 North Church Street  
Post Office Box 1106  
Asheboro, North Carolina 27204-1106



January 22, 2025

To the Honorable Mayor, Members of the City Council and Citizens of the City of Asheboro:

State Law requires that all local governments publish a complete set of financials statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. These financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Thompson, Price, Scott, Adams & CO., P.A.; and that firm's unmodified opinion is included in the Financial Section of this report. Pursuant to that requirement, I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Asheboro, North Carolina, for the fiscal year ending June 30, 2024. This ACFR was prepared by City Administration for readers to gain an understanding of the City's Financial activities over the last fiscal year by presenting financial information which conforms to high reporting standards.

The City's Finance Office prepares the financial statements. City Management assumes full responsibility for the accuracy of the data, completeness and reliability of all the information presented in this report including all disclosures. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

This report summarizes the financial transactions of all of the City's funds into statements of financial position and results of operations and cash flows and provides relevant disclosures and supplementary schedules to enhance their usefulness to readers. To the best of our knowledge and belief, the information in this report is accurate in all material respects and presents fairly the financial position and results of operations and cash flows of the City's various funds. We have included all the disclosures needed to enable the users of these financial statements to gain maximum understanding of the City's financial activities.

This ***Annual Comprehensive Financial Report*** is presented in four sections: (1) Introductory, (2) Financial and (3) Statistical and (4) Compliance.

The ***Introductory Section*** portion consists of this transmittal letter, The Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2023, the City's

organizational chart and a listing of the City's principal officials.

The ***Financial Section*** includes the independent auditors' report, the management's discussion and analysis (MD&A), the Basic Financial Statements composed of government-wide and fund financial statements, with supporting statements included and notes to the financial statements deemed necessary to present fairly the financial position of the City. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of the MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Asheboro's MD&A can be found immediately following the report of the independent auditors.

The ***Statistical Section*** includes selected financial, demographic and economic data to allow trend analysis of past performance of the City as an entity and as a community.

Finally, the ***Compliance Section*** includes the independent auditors' reports, schedule of findings and questioned costs, corrective action plan for current findings, summary schedule of prior audit findings, the schedule of expenditures of federal and state awards and the notes to the schedule of expenditures of federal and state awards. These reports and schedules are required to be presented according to Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

This report covers all funds that are controlled by or dependent upon the City.

## **CITY PROFILE:**

The City of Asheboro has a population of 27,472 and covers approximately 19.095 square miles. Located in the center of the state, its proximity to Charlotte, the Greensboro-High Point area and Raleigh provides great opportunity for growth as the regional economy expands and diversifies. Asheboro serves as the intersection for four major highways, U.S. 220, U.S. 311, U.S. 64 and NC 49, which connect these major cities. Additionally, Asheboro is home to the nation's second largest interstate highway system. Completion of interstates 73/74 in Randolph County was completed in early 2013, creating an artery linking the Midwest to the southern Atlantic coast. Asheboro is 75 miles west of Raleigh, 300 miles north of Atlanta and 480 miles south of New York. The City is served by Norfolk and Southern Railways.

The City was formed December 25, 1796 by an act of the NC General Assembly. The City is empowered to levy a property tax on the appraised value of all real and certain categories of tangible personal property located in the City. The County is the only other unit levying such taxes within the City's corporate limits. The City is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates as a Council-Manager form of government. The Council is the policy-making and legislative body of City government and includes a Mayor and 7 Council members who are elected at large to represent the entire city and who serve staggered terms. The Mayor is the presiding officer of the Council and will vote only in the event of a tie. A Mayor Pro Tempore is selected by the Council from its members.

The City Manager is appointed by the Council as Chief Executive Officer and is responsible for carrying out the policies and ordinances of the Council and administering the daily operations and programs of

the City through appointed department directors and staff members.

The City of Asheboro provides a full range of services for its citizens: police and fire protection, refuse collection, an airport, recreational facilities and programs, street construction and maintenance and general administration and infrastructure. In addition to these general government functions, the City provides and maintains a water and sewer system, which is included in the reporting entity. The City also extends financial support to certain organizations, boards, agencies, and commissions to assist their efforts in serving citizens. In fiscal year 2023-2024, among these are Randolph County Economic Development Commission, Randolph Senior Adults Center, Randolph County Arts Guild, Family Crisis Center, the Boys and Girls Club, Randolph County Chamber of Commerce, Downtown Asheboro Inc, RhinoLeap, LLC, Lydia's Place, Our Daily Bread, Blue Comet Youth Football, George Washington Carver Community Enrichment Center, Habitat for Humanity and the Asheboro Housing Authority.

The City of Asheboro is also financially accountable for a legally separate entity, the ABC Board, which is reported separately within the City of Asheboro's financial statements. Additional information on this Board can be found in Note I.A in the notes to the financial statements. Although a related activity, the Asheboro Housing Authority does not meet the established criteria for inclusion and thus, is excluded from this report.

The City's accounting records are organized and operated based on funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other assets, related liabilities and equities and revenue and expenditures. The City has four fund types: general governmental, special revenue, capital projects and enterprise. The general governmental fund accounts for all current financial resources not required to be accounted for in another fund. The City has one such fund, the General Fund, which accounts for the ongoing, routine municipal operations independent of the Water and Sewer Fund. Special Revenue funds are used where specified revenues are required to be expended for a specific purpose. Capital Project funds account for the revenues and expenditures involved in the construction or acquisition of a major capital asset. All the foregoing fund types report on the modified accrual basis, where revenue is recognized when measurable and available and expenditures are recognized as incurred.

Unlike the other fund types, an enterprise fund uses accounting methods that closely resemble those of a for-profit business. The enterprise fund is financed by user fees and, ideally, generates sufficient revenue to cover its own operating expenditures, service its debt and provide for replacement or expansion of facilities. Unlike the other funds, an enterprise fund accounts for its assets and long-term debt within its own fund structure. The City of Asheboro has one enterprise fund, the Water and Sewer Fund.

The annual budget serves as the foundation for the City's financial planning and control. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year for all funds for which an annual budget is required. The City's General Fund and Water and Sewer Fund operate under budgets adopted on an annual basis. The special revenue and capital project funds exist for specific purposes that may span more than a year, so their budgets are adopted on a multi-year basis. In either situation, the City Council must adopt any budget before it becomes effective. The City Manager may make transfers of appropriations between line items within a department. Only the Council can approve amendments affecting the total appropriation per department or on the project level. The North Carolina General Statutes require an encumbrance system and a finance officer certification that funds are available prior to the placement of all purchase orders and contracts. Encumbrance accounting is used to ensure that the City does not exceed the spending limits established by these budgets.

In addition to the budgetary controls described above, the City's management is responsible for establishing and maintaining other internal controls to ensure the proper use and adequate safeguarding of municipal assets and to provide reasonable assurance that all transactions are recorded promptly and accurately for subsequent reporting in accordance with generally accepted accounting principles. Management believes that the internal control structure now in place provides reasonable, but not absolute, assurance that these objectives are being met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits it is likely to produce, and that the valuation of these costs and benefits requires estimation based on the judgment of management.

## **ECONOMIC CONDITION AND OUTLOOK:**

The following paragraphs describe the environment within which The City of Asheboro operates, providing context for understanding the information presented in the financial statements.

Asheboro enjoys a wide variety of manufacturing-oriented employers. Textiles, furniture, consumer goods and paper products comprise the backbone of the area's manufacturing economy. In addition to the wide array of manufacturing employers, many of which appear on our principal taxpayers list, this area is also a banking and professional services sector, health care sector and tourism. Additionally, small businesses are growing in comparison to prior years, bringing along innovation and jobs that are anticipated to be the backbone of our future economy. Diversification of the employment base and job creation continues to be critical to the future of Asheboro.

Traditionally, the local economy has weathered economic challenges comparatively well due to our manufacturing and service and professional employer diversity. Our manufacturing bases is about 28% of the industry. The top ten employers cover many facets of the economy including education, plastics, furniture, government, health care, zoo, batteries, mattresses, American made apparel, concrete, yarn texturing, breakfast cereal and hosiery. As of September 2024, unemployment was at 3.2%. Property Tax collections on the current year tax levy for Fiscal year end June 30, 2024 was \$25,067,884 in comparison to \$18,506,008 in the prior year. This increase comes from revaluation and tax rate change from \$0.665 to \$0.71. Sales tax revenue in 2023-2024 was \$10,652,866 in comparison to \$10,133,914, in 2022-2023, a 5.1% increase over the prior year.

The City of Asheboro partners with the Randolph County Economic Development Corporation and Randolph County Government to provide economic incentives to various companies seeking to locate or expand in Randolph County / City of Asheboro area. The partnership has resulted in several expansions that will ultimately help improve the local economy.

To support the medical services sector in Asheboro, the City of Asheboro has invested in the Randolph Health outpatient facility and cancer center that serves Randolph County and the surrounding area. In addition, the City of Asheboro invested in the expansion of Hospice of Randolph County to add an inpatient facility which allows the hospice organization to offer care to individuals who would prefer to spend their last days in a home-like setting when it's not possible to remain in their own home. These two expansions have expanded upon and improved the medical services provided in the area. Over time, the medical industry has changed, not only in coverage and reimbursements but how medicine is delivered. Rural health systems like Randolph Health have struggled to keep their doors open. Most recently, The City of Asheboro and Randolph County worked diligently to support Randolph Health as restructured so they could be acquired by American Healthcare Systems LLC. This acquisition preserved jobs and secured local access to healthcare in the future.

The City of Asheboro is supporting the branding of the City as a tourism destination. The North Carolina Zoological Park is located just to the southeast and is a large tourism draw for Asheboro. It is the nation's largest walk-through natural habitat zoo featuring more than 1,100 animals representing more than 200 species from Africa and North America and 40,000 different plant specimens that border its 5 miles of walking paths connecting the various exhibits. Each year, approximately 700,000 visitors from all 100 counties in North Carolina and all 50 States of the US travel to Asheboro, North Carolina to visit the Zoo making it the sixth largest number of annual visitors in zoo history. The draw for the NC Zoological Park has enhanced tourism in the area, resulting in new motel construction and the addition of several new restaurants in Asheboro over the past few years.

In early 2012, Asheboro was named the second Certified Retirement Community in the State of North Carolina. The award designates communities that offer unprecedented quality of living that is desirable to retirees including demographics, housing, healthcare, leisure and cultural opportunities. In 2016, The City of Asheboro was recognized by the National Civic League as an “All American City” for its work in engaging the Asheboro community in helping to assure the well-being of young people.

The availability of an educated workforce is always an important issue. The area has three public schools, Randolph County Schools, Asheboro City Schools and the Uwharrie Charter Academy. In addition, Randolph Community College (RCC) offers an Early College High School program. RCC Continues to invest in its academics and facilities and work force development programs and has earned accolades throughout the state and community college system. In 2024, RCC secured its position as the leading community college in North Carolina, according to Niche’s latest rankings and has also cinched an impressive fourth-place spot on Best Colleges’ list of Best Online Associate in Information Technology Programs nationwide. The commitment of RCC and residents and organizations to high ideals and education bodes well for attracting and retaining new business ventures.

## **MAJOR INITIATIVES:**

In 2007, the City Council and community leaders participated in the development of a strategic plan to guide us through 2027. This plan reinforced and expanded the focus noted above. In the 20/20 plan, the areas of focus were categorized as below.

- Economic Development
- Growth, Annexation and Infrastructure
- Quality of Life
- North Carolina Zoo

The City of Asheboro was chartered December 25, 1796, and included 1,961 acres. As of June 30, 2021, 10,319.94 acres have been annexed allowing for a total City of Asheboro acreage of 12,280.94 acres. Areas that can be economically served with water and sewer services will continue to be studied and will be considered for annexation when funds are available.

In 1996, the City Council adopted a policy that requires any major residential development or any commercial or industrial development desiring water and sewer services from the City to request annexation prior to receiving these services. Additionally, citizens adjacent to city limits may voluntarily request annexation into the city limits.

The combating of drug abuse in our community, state and nation is a tremendous challenge facing us all. The City Council continues to place a priority in this area by increased efforts and patrol in high



problem areas and encourages public participation and assistance. One of the City's initiatives to help combat drugs involves working with the Asheboro City Schools Board of Education to reach out to and educate our school aged children through the DARE (Drug Awareness and Resistance Education) program. In addition, the City of Asheboro has a well-trained and committed Vice and Narcotics Division of the Asheboro Police Department. This division runs departmental undercover operations as well as operations in conjunction with State and Federal authorities. Asheboro Police department units patrol in high traffic areas. The greatest success of the program against drug abuse has come from the involvement of the citizens and the officers. Through the combined effort of the citizens and the Police Department, the neighborhoods and streets are being returned to the community.

Road system improvements are a cooperative effort on the part of the State of North Carolina and the City of Asheboro. The City Council continues to work diligently with NCDOT to find and implement improvements that consider improved safety as well as considers various residential and business needs. In 2016-2017, both Vision Drive and Church Street were revamped to enhance driver and pedestrian safety. More recently, the City Council worked for and supported the completion of the I-73 / 74 projects and the Highway 64 / 40 bypass loop.

Increasing fiscal demands on the City and the citizens is an ever-increasing problem. The City continues to make every effort to improve efficiency in current operations as well as plan for the future. In 2008-2009, the City began to incorporate GIS technology into our day-to-day operations to help assess and take advantage of increased operational efficiencies. In May 2010, the City of Asheboro was awarded an "Outstanding Achievement in Innovation" award from the Alliance for Innovation for its Mobile 311 Program. The City of Asheboro's Mobile 311 program is a GIS-based tool using touch-screen mobile phones with cameras as data collectors allowing a wide range of City employees can submit information on utility issues, sanitation routes, maintenance projects, graffiti and more to a central location for evaluation and work schedule development. The City of Asheboro will continue to investigate and incorporate new technology that will allow us to realize efficiencies without compromising quality of service. To enhance the success of our operations, the City fosters a cooperative effort between City personnel and the citizens.

The City continues to invest in expansion and renovation of its facilities. In Spring of 2024, the City opened the new multipurpose athletic park named ZooCity SportsPlex, and completed the renovation of the historic McCrary Ballpark. Fields can be used for City and community activities as well as tournaments that will bring families to the area and further build the City of Asheboro as a tourism destination.

Water line replacements and sewer extensions are ongoing and are necessary to assure quality of service provided to our customer base. The City has systematically been replacing waterlines to move away from the original galvanized pipe. As of June 30, 2024, there is less than a mile old galvanized pipe remaining to be replaced. Additionally, the water and sewer maintenance department has systematically updated our technology in the ground by replacing old analog meters with radio read meters and are now looking at updating meter reading devices to improve meter reading technology.

Community appearance is another priority for the City of Asheboro. The City refurbished Sunset Avenue business district adding trees and extending the sidewalks. The City has a horticulturist on the staff to aid in the enhancement of community appearance. Hanging baskets have been placed on Sunset Avenue from Highway 220 to downtown and in the downtown Asheboro area of Church Street. Various artisan sculptures have been incorporated into the landscape of the downtown area. The City has also funded a grant program thru Downtown Asheboro Inc which gives grants to help downtown business

owners improved their façade while maintaining the historical appearance of downtown. A focus on promoting community appearance continues with the development of the David and Pauline Jarrell Center City Garden. Playground equipment upgrades, as well as landscaping projects, continue to be a priority in our City parks. Through enforcement of various planning and zoning ordinances, City personnel continue with their efforts to force property owners to remove or restore unsightly property and take down potentially dangerous buildings.

Improvements to the airport continue to be made. Over the past few years, with federal funds, the City has completed a lighting rehab project at the Airport and is now working on the construction of new Hangars. Construction of a new airport terminal building is currently in the design phase and if federal funding becomes available, may enter the construction phase in 2025-2026.

Additional information regarding this fiscal year's major initiatives along with the financial implications can be found in the Management's Discussion and Analysis (MD&A). The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **FOR THE FUTURE:**

The City of Asheboro continues to adjust with the changing local economic environment. The City continues its partnership with Downtown Asheboro LLC to develop an environment where conversation moves freely among the business owners and the City to set an atmosphere which allows continued growth for the downtown businesses. Additionally, the City continues to work closely with Randolph County and the Chamber of Commerce to develop programs and run operations in a manner that facilitate business development.

The budget for the fiscal year 2023-2024 provided for the current operational needs of the City of Asheboro as well as took steps to provide additional focus areas of importance outlined in the strategic planning report. The approved budget for 2024-2025 continues to provide resources to maintain the current level of service to our customers as well as focus on ongoing major initiatives which go hand in hand with the strategic planning initiatives referenced above. The City will continue to utilize all resources available and pursue these initiatives as the resources allow.

## **CASH MANAGEMENT:**

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City or its agent. All investments held by the City during the year and on June 30, 2024 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. Our cash management policy of planning expenditures and scheduling investment maturities to match cash requirements are continued for 2024-2025.

## **RISK AND INSURANCE MANAGEMENT:**

The City participates in an insurance pool funded by a group of cities and sponsored by the North Carolina League of Municipalities for its general, automobile, public officials and law enforcement liability insurance's, and its workmen's compensation. Airport liability coverage has been obtained from

an independent carrier. Modifications are made to insurance coverage at the discretion of management and the governing board.

Group health and life coverage is provided by Cigna through a self-insured plan. The City operates a health clinic and administers a comprehensive wellness program. Over the past four years, the City has continued to enhance its clinic and wellness program, now staffing a full-time nurse and a part-time nurse practitioner. This program has had a significant effect on managing and deterring health care costs as well as impacted productivity in the work environment. Employees can go to the health clinic for minor, outpatient type of health care needs and often be back on the job in less than an hour. The City provides for claims, stop-loss coverage, and third-party administrative costs on a pay as you go basis.

## **DEBT ADMINISTRATION:**

As of June 30, 2024, all bonded debt for the City of Asheboro is retired.

Prior to 2011, the City of Asheboro was able to provide for current operations and services without taking on new debt. Every year since 2011, the City has taken on new debt for the purpose of replacement of vehicles and equipment in the various departments. As old debt is retired, new debt is taken on to finance vehicles for public works, planning, police and recreation departments. As of June 2024, there is one installment purchase contracts of \$806,482 for the water & sewer fund. The balance on the installment purchase contracts for the governmental type activities was \$3,201,636.

The City of Asheboro entered into various contracts with the state, tapping into the State Clean Water loan program for improvements in the wastewater collection system, the water distribution system and equipment improvements. The most recent was a contract of \$462,452 with the State of North Carolina to purchase radio read meters. As of June 30, 2024, the total notes payable balance for the water & sewer fund was \$2,135,637 providing for system wide enhancements and improvements.

The City of Asheboro has been strategic in this debt management approach in order to protect our debt capacity for future projects and facility expansion. In the governmental funds area, the ZooCity Sportsplex was completed Spring 2024. The City has also invested in the renovation of the McCrary Ballpark with partners in the private sector. The City has used its resources for the construction of these projects and avoided debt issuance. Discussion is ongoing about the development of the David & Pauline Jarrell Center City Garden and improvements to Trade Street / North Street. The City has also been looking at developing a passive park with walking and biking trails at Lake Lucas.

The City's debt carries an "A2" rating from Moody's, "A+" from Standard and Poor's, and a rating of 83 by the North Carolina Municipal Council.

## **INDEPENDENT AUDIT:**

An annual audit is required by the North Carolina General Statutes for all units of local government and by the Office of Management and Budget for most recipients of Federal grant monies. The auditor must be approved by the North Carolina Local Government Commission and is selected by and reports to the City Council.

The City's financial statements have been audited by the independent certified public accounting firm of Thompson, Price, Scott, Adams & CO., P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024, are

free of material misstatement. While the financial statements are the responsibility of management, the auditor's report is independent of management's control and discloses their opinion as to whether the financial statements present fairly the actual financial condition and results of operation of the City. The independent audit involved examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financials statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader state mandated "Single Audit" designed to meet the special needs of State grantor agencies. The audit is done in accordance with the State Single Audit Implementation Act. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of State awards. These compliance reports, along with the schedule of expenditures of federal and state awards, findings and recommendations, if any, are published in this ACFR.

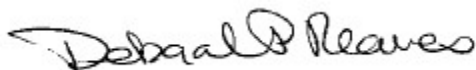
## **AWARDS:**

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 Asheboro for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGMENTS**

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We also wish to thank the Randolph County Finance Office, the Randolph County Tax Department, the Randolph County Economic Development Corporation and all City departments for their assistance in providing the data necessary to prepare the statistical section of this report. Credit is also due to the Mayor and the City Council for their support for the Finance Department's efforts in maintaining the high standards of professionalism in the management of the City of Asheboro's finances.

Respectfully submitted,



Deborah P. Reaves  
Finance Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Asheboro  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

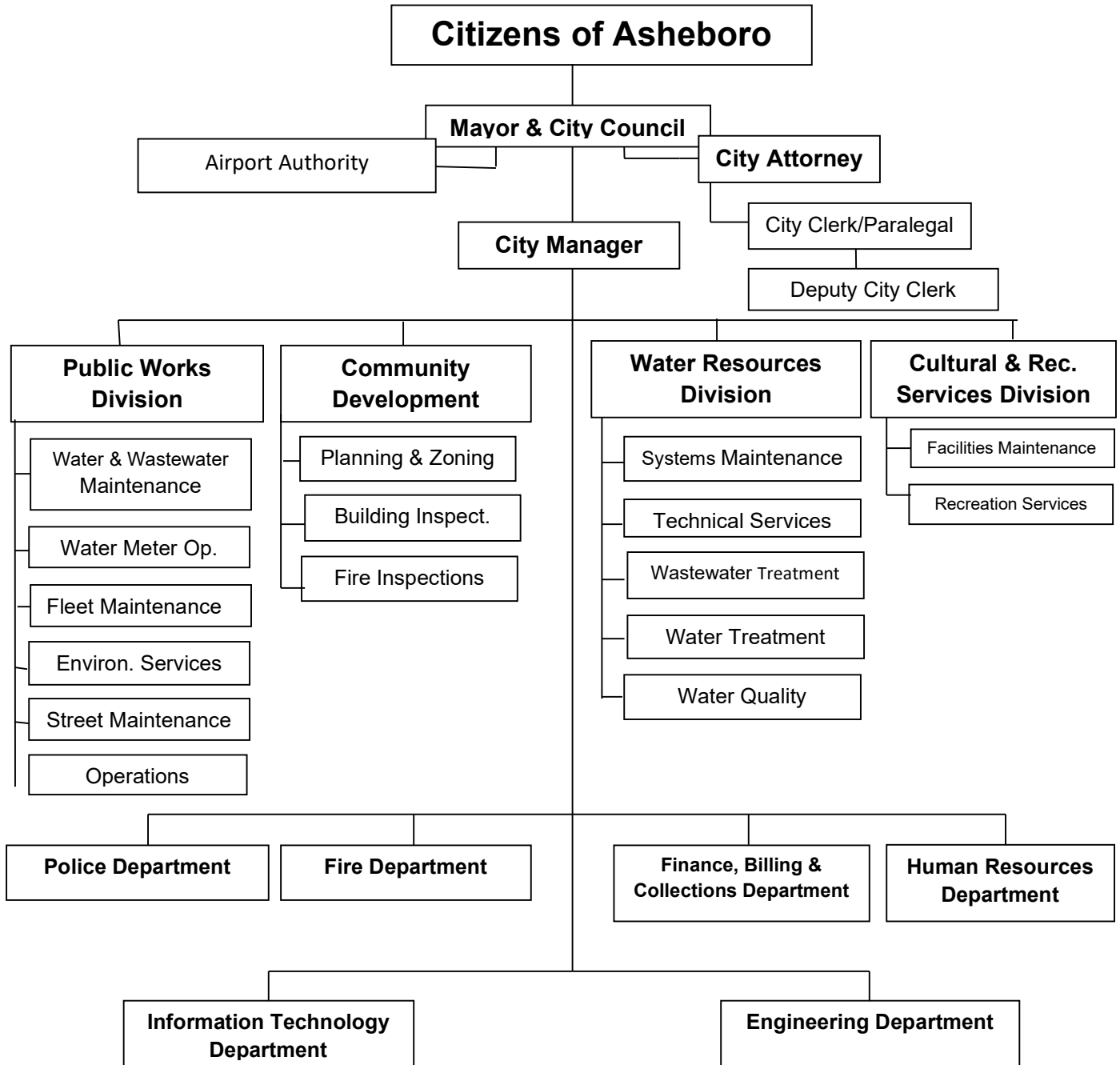
June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart

## City Divisions & Departments



CITY OF ASHEBORO, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2024

Title	Name
Mayor	David Smith
Mayor Pro Tem, Council Member	Walker Moffitt
Council Member	Clark Bell
Council Member	Eddie Burks
Council Member	Kelly Heath
Council Member	Bill McCaskill
Council Member	Charles Swiers
Council Member	Joey Trogdon
City Manager	John Ogburn, III
City Attorney	Jeff Sugg
Airport Authority Chair	Steve Knight
Alcoholic Beverage Control Board Chair	Steve Knight
Redevelopment Commission Chair	Ross Holt
Planning Board Chair/Board of Adjustment Chair	Michael O'Kelly
Community Appearance Chair	Kelly Heath
City Clerk	Holly Doerr
Finance Officer	Deborah Reaves
Planning and Zoning Director	Trevor Nuttall
Police Chief	Robbie Brown
Fire Chief	Willie Summers
Building Inspections Director	Eddie Garner
Fire Inspections Director	Tony Fruitt
City Shop Director	Jeff Fox
City Engineer	Michael Leonard
Information Technology Director	Rodney Neal
Public Works Director	David Hutchens
Public Services Director	R. Barry Hamilton
Human Resources Director	P. Douglas Kemp, Jr.
Recreation Services Director	Johnathan Sermon
Facilities Maintenance Director	Jimmy Cagle
Water Resources Director	Michael Rhoney
Water Meter, Water/Sewer Maintenance Director	Shannon White
Water Plant Director	Bryan Lanier
Wastewater Treatment Plant Director	Michael Wiseman
Technical Services Director	Sarah Laughlin
Systems Maintenance Director	Jeff Cagle
Water Quality Director	Judy Smith

## **FINANCIAL SECTION**





***Thompson, Price, Scott, Adams & Co, P.A.***

**P.O Box 398  
1626 S. Madison Street  
Whiteville, NC 28472  
Telephone (910) 642-2109  
Fax (910) 642-5958**

**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

**Independent Auditors' Report**

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

**Report on the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Asheboro, North Carolina (the "City"), as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information City of Asheboro, North Carolina as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. We did not audit the financial statements of the City of Asheboro ABC Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Asheboro ABC Board, is based on the report of the other auditors.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Asheboro and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of City of Asheboro's ABC Board were not audited in accordance with Governmental Auditing Standards.

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

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

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

**Members**

**American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements, 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 not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than the 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 judgement made by a reasonable user based on the financial statements.

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible 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 Asheboro'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 Asheboro'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 identify during the audit.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 18, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 73 through 74, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 70 through 71, and the Changes in Total OPEB Liability and Related Ratios page 72, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Asheboro, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 that basic financial statements. The information has been subject to 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 introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section as well as the accompanying schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory information 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 statement, 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 January 22, 2025, on our consideration of the City of Asheboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Asheboro's internal control over financial reporting and compliance.

*Thompson, Rice, Scott, Adams & Co., P.A.*

Whiteville, NC  
January 22, 2025

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## Management's Discussion and Analysis

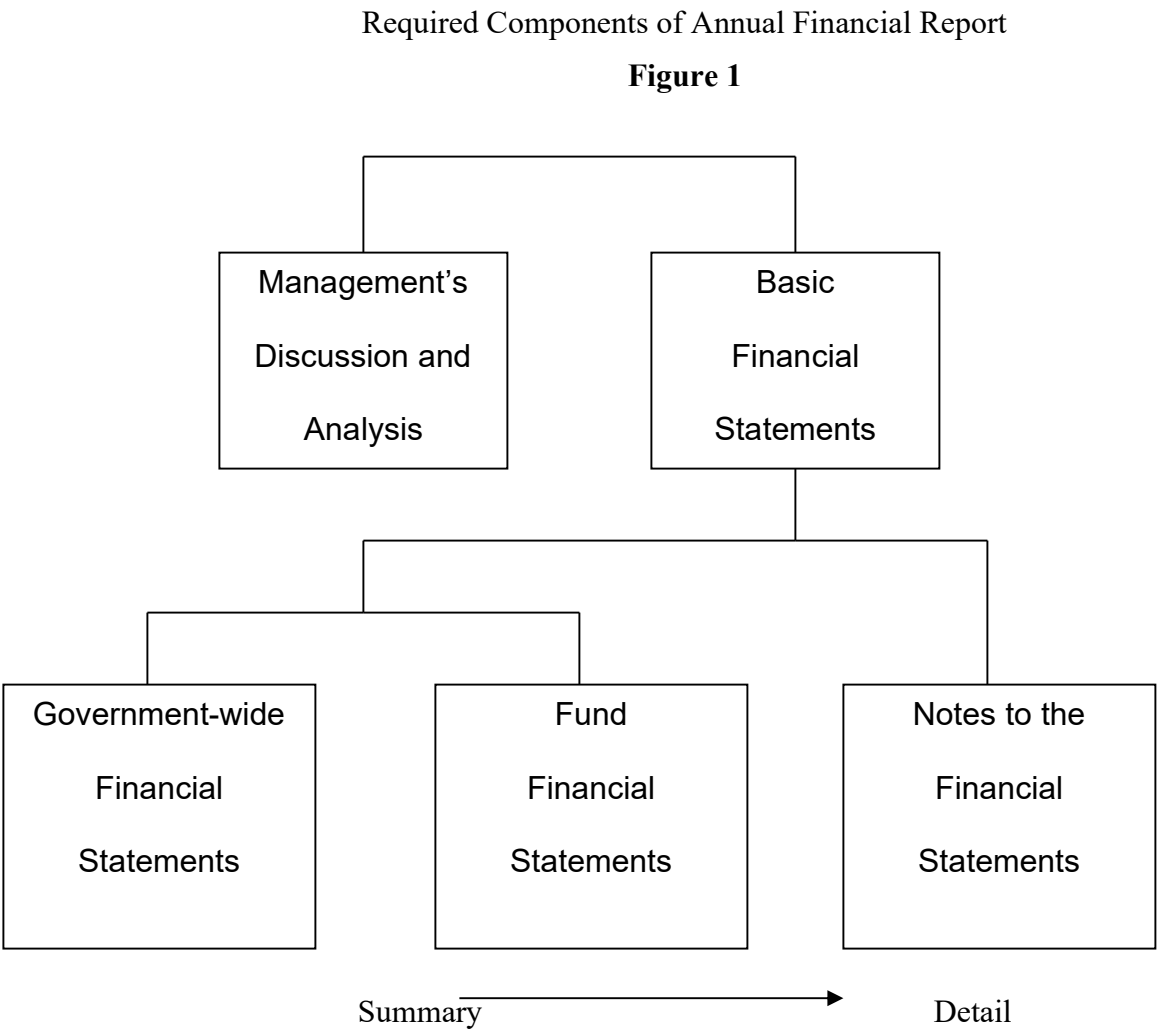
As management of the City of Asheboro, we offer readers of the City of Asheboro's financial statements this narrative overview and analysis of the financial activities of the City of Asheboro for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction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

### Financial Highlights

- The assets and deferred outflows of resources of the City of Asheboro exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$97,949,287 (*net position*).
- Governmental activities net position increased by \$6,069,068. A contributing factor to this net position increase is a significant increase in capital assets associated with the completion of ZooCity Sportsplex as well as the majority of the McCrary Ballpark renovations.
- Business type net position increased by \$1,070,105. This increase is due mostly to grant revenue for the Wolfsped Grant Project Fund.
- As of the close of the current fiscal year, the City of Asheboro's governmental funds reported combined ending fund balances of \$23,647,048 which is a net increase of \$3,309,617. This increase is due to the City's ad valorem taxes revenue increasing 35% and the decrease in capital project expenditures due to the completion of the ZooCity Sportsplex.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,699,374 or 37.46% of total general fund expenditures and transfers out for the fiscal year.
- The City of Asheboro has been investing in the renovation of the McCrary Ballpark since 2022. The overall June 30, 2024, investment to date contributed from the General Operating Fund is \$6,300,326. The City of Asheboro also received individual donations to this project in the amount of \$2,815,830 to June 30, 2024. The majority of this project has been completed with the assets being capitalized.
- Sales tax revenue increased by \$518,952 showing improving economic conditions over the prior year.
- The City of Asheboro's overall debt increased by \$453,614 during the current fiscal year. Governmental activities net debt increased by \$116,496 with the issuance of new debt for equipment. Business type activities net debt increased by \$337,118 due to the issuance of new debt for equipment.
- The City of Asheboro has maintained its AA bond rating from Moody's, "A+" from Standard & Poor's and a rating of 83 by the North Carolina Municipal Council.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Asheboro’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 through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader’s understanding of the financial condition of the City of Asheboro.



## 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 8) 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 three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

## Government-Wide Financial Analysis

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 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 statement of net position presents financial information on all of the City of Asheboro's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Asheboro is improving or deteriorating.

The statement of activities presents information showing how the City of Asheboro's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities and (3) component units. The governmental activities are principally supported by property taxes, state and federal grants and other intergovernmental revenues. Most of the City's basic services such as general government, public safety, highways and streets, sanitation and culture and recreation are included in the governmental activities category. The business-type activities are functions that are intended to recover all or a significant portion of their costs through user fees and charges to customers. These include the water and sewer services offered by the City of Asheboro.

## Management's Discussion and Analysis City of Asheboro

The government-wide financial statements include not only the City of Asheboro itself (known as the primary government), but also a legally separate ABC Board. Financial information on this component unit is reported separately from the financial information presented for the primary government itself. Although separate from the City, the ABC Board is important to the City because the City exercises control over the Board by appointing its members and the Board is required to distribute its profits to the City.

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

### **Fund Financial Statements**

The fund financial statements 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 Asheboro, 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 Asheboro can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements 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. Such information may be useful in assessing a government's near-term financing requirement.

Most of the City's basic services are accounted for in governmental funds. 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 financial resources available to finance the City's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The City of Asheboro maintains ten governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and one other major governmental fund. Data from the eight other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements displayed in schedules 2 and 3. The combining statements are followed by individual fund statements for each of these funds.

The City of Asheboro 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's Discussion and Analysis

### City of Asheboro

management of the City, and the decisions of the Board 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 or not 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.

The basic governmental fund financial statements can be found on pages 21 through 25 of this report.

**Proprietary Funds** – City of Asheboro has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Asheboro uses an enterprise fund to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

The basic proprietary fund financial statements can be found on pages 26 through 28 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Asheboro's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found beginning on page 70 of this report.

**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. It is also subject to changes in investment earnings and asset values associated with US Treasury securities because of actions by foreign governments and other holders of publicly held US Treasury Securities.

## Government-Wide Financial Analysis

### The City of Asheboro's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 32,565,678	\$ 27,584,893	\$ 20,240,875	\$ 17,053,231	\$ 52,806,553	\$ 44,638,124
Capital assets	60,476,951	54,698,140	36,459,928	36,646,159	96,936,879	91,344,299
Total assets	93,042,629	82,283,033	56,700,803	53,699,390	149,743,432	135,982,423
Deferred outflows of resources	14,959,076	14,883,397	4,445,775	4,586,644	19,404,851	19,470,041
Long-term liabilities outstanding	40,113,561	39,028,492	12,535,606	12,145,839	52,649,167	51,174,331
Other liabilities	11,634,317	8,522,354	3,155,582	1,868,538	14,789,899	10,390,892
Total liabilities	51,747,878	47,550,846	15,691,188	14,014,377	67,439,066	61,565,223
Deferred inflows of resources	2,675,789	2,106,614	1,084,141	970,513	3,759,930	3,077,127
Net Position:						
Net Investment in						
Capital Assets	56,803,061	51,755,062	34,129,138	34,041,158	90,932,199	85,796,220
Restricted	6,773,216	11,652,664	-	-	6,773,216	11,652,664
Unrestricted	(9,998,239)	(15,898,756)	10,242,111	9,259,986	243,872	(6,638,770)
Total net position	\$ 53,578,038	\$ 47,508,970	\$ 44,371,249	\$ 43,301,144	\$ 97,949,287	\$ 90,810,114

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Asheboro, assets and deferred outflows exceed liabilities and deferred inflows by \$97,949,287 at the close of the 2024 fiscal year. Current and other assets increased \$8,168,429 from the prior year. The majority of the increase is due to the City's ad valorem taxes revenue collections increasing due to an increase in the property tax rate from .665 per \$100 in valuation to .71 per \$100 valuation. Capital assets, net of depreciation, increased \$5,592,580 because of the completion of the ZooCity Sportsplex Project which resulted in assets being capitalized and put in service. The City's net position increased by \$7,139,173 for the fiscal year ended June 30, 2024.

Long-term liabilities, which includes notes payable, installment purchase obligations, compensated absences, pension obligations and postemployment obligations increased \$1,474,836 due to the issuance of installment purchase obligations for equipment and increases in pension and postemployment obligations.

By far, the largest portion of the City of Asheboro's net position (92.84%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles and infrastructure). The City's net position in capital assets increased by \$5,135,979 for the fiscal year ended June 30, 2024. Governmental activities capital assets increased by \$5,778,811 due to purchases of equipment and investment in capital projects. Business activities capital assets decreased by \$186,231 due to annual depreciation on the treatment plants and equipment. The City of Asheboro uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Asheboro's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Management's Discussion and Analysis  
City of Asheboro

An additional portion of the City of Asheboro's net position (6.91%) or \$6,773,216 represents resources that are subject to external restrictions on how they may be used. The remaining balance, \$243,872 is unrestricted. Unrestricted funds are typically used to meet the government's ongoing obligations to its citizens and creditors without constraints established by debt covenants or other legal requirements. We expect the unrestricted balance to increase in future years due to the City's ongoing diligence in monitoring and curtailing expenditures.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.32%
- ABC Profit Distribution of \$760,000, an increase of 11.76%.
- A 7.1% increase in local option sales tax revenues, dollar increase of approximately \$555,104 showing growing economic diversity and strength.
- Continued low cost of debt due to the City's favorable bond rating.

**City of Asheboro Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 4,380,941	\$ 3,727,397	\$16,444,477	\$16,498,721	\$20,825,418	\$20,226,118
Operating grants and contributions	2,319,427	10,757,576	-	-	2,319,427	10,757,576
Capital grants and contributions	1,755,066	3,871,885	889,693	-	2,644,759	3,871,885
General revenues						-
Property taxes	25,067,884	18,506,008	-	-	25,067,884	18,506,008
Other taxes	13,591,097	12,908,199	-	-	13,591,097	12,908,199
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	2,823,010	2,087,192	580,034	400,289	3,403,044	2,487,481
Total revenues	49,937,425	51,858,257	17,914,204	16,899,010	67,851,629	68,757,267
<b>Expenses</b>						
General government	6,725,008	5,135,055	-	-	6,725,008	5,135,055
Public safety	21,465,333	19,847,111	-	-	21,465,333	19,847,111
Transportation	5,530,082	5,466,666	-	-	5,530,082	5,466,666
Environmental Protection	2,447,510	2,354,567	-	-	2,447,510	2,354,567
Cultural and recreational	7,373,457	5,587,971	-	-	7,373,457	5,587,971
Economic development	256,694	2,074,815	-	-	256,694	2,074,815
Interest on long-term debt	102,023	79,269	-	-	102,023	79,269
Water and sewer	-	-	16,812,349	16,705,114	16,812,349	16,705,114
Total expenses	43,900,107	40,545,454	16,812,349	16,705,114	60,712,456	57,250,568
Change in net position before transfers	6,037,318	11,312,803	1,101,855	193,896	7,139,173	11,506,699
Transfers	31,750	50,000	(31,750)	(50,000)	-	-
Change in Net Position	6,069,068	11,362,803	1,070,105	143,896	7,139,173	11,506,699
Net Position, Beginning of Year, Previously Reported	47,508,970	36,146,167	43,301,144	43,157,248	90,810,114	79,303,415
Net position, June 30	\$53,578,038	\$47,508,970	\$44,371,249	\$43,301,144	\$97,949,287	\$90,810,114

Management's Discussion and Analysis  
City of Asheboro

**Governmental activities.** During the current fiscal year, net position for governmental activities increased by \$6,069,068 for an ending balance of \$53,578,038. There were several contributing factors to the increase in net position. The largest contributor is the \$6,561,876 increase in ad valorem tax revenues. There were additional revenues in capital grants which consisted of State Capital Infrastructure funds for City of Asheboro downtown revitalization projects and recreation projects of \$255,434 and \$1,166,666 in private donations for the McCrary Ballfield renovation.

City management continues to review the effectiveness of processes and encourages cost saving strategies across City departments. Certain non-reoccurring expenses are continuously being reevaluated to try and retain a healthy net position despite uncontrollable factors. Management continues to invest in the City and cultural and recreation activities that will have a favorable impact on economic developments with the expectation of a resulting increase in future revenues and a stronger economic base. Key elements impacting net position are as follows:

- Total governmental revenues are \$49,937,925 and operating expenses are \$43,900,107.
- Total governmental activities revenue decreased by \$1,920,832. The most significant amount of this decrease is attributable to the decrease of \$8,438,149 in operating grants and contributions and \$2,116,819 decrease in capital grants and contributions. An offset to these reductions in revenue was the increase in ad valorem tax revenues of \$6,561,876.
- Total governmental activities expenses increased by \$3,354,653 with the largest increase in the area of cultural and recreational activities with the addition of the ZooCity Sportsplex Recreation Department. The City continues to invest in its downtown environment offering grants for entrepreneurship activities and downtown building improvements. It also has invested heavily in cultural activities such special concert series and programs focused on getting the public out and engaged.
- The City continues to focus on maintenance and repair of all existing equipment to extend the life of its equipment, so that large purchases for garbage trucks and fire trucks do not occur each year,
- The City has and will continue its investment in the ZooCity Sportsplex, a multipurpose athletic facility that will draw traveling sports teams and tourism to Asheboro / Randolph County. The City formally opened the ZooCity Sportsplex in the Spring of 2024.
- The City has continued its investment in the renovation of the historic McCrary Ballpark that already draws traveling sports teams and tourism to Asheboro / Randolph County. The City completed the majority of the renovations to the McCrary Ballpark during the 2023-2024 fiscal year.
- The City continues to invest in improvements at the Asheboro Regional Airport to be competitive with other small area airports.

**Business-type activities:** Business-type activities revenues in fiscal year ending June 30, 2024 were \$17,914,204 and expenses were \$16,812,349. As a result, the City's business-type activities net position increased \$1,070,105. Part of this increase was due to a grant from the N.C. Department of Commerce of \$839,286 to fund the Wolfspeed Grant Project Fund. This project is for water infrastructure improvements to Wolfspeed, Inc. which was awarded a Job Development Investment Grant by the State of North Carolina to manufacture computer chips.

## Management's Discussion and Analysis

### City of Asheboro

The City's OPEB liability, which was implemented with GASB Statement No 75 a few years ago, continues to have a significant impact on net position for the City of Asheboro. OPEB are benefits other than pensions that governmental entities provide to retirees. The City of Asheboro provides health insurance benefits to its retirees. With this change, the OPEB liability is established by an actuarial valuation and reported on the face of the financial statements. Since the City of Asheboro does not provide OPEB through a trust, there are no assets to offset the entire liability, which is recognized on the financial statements. The City's total OPEB liability as of June 30, 2024, measured as of June 30, 2023, is \$29,342,635. \$22,492,913 of this liability is in the governmental funds. There are 478 total active and retirees on the City of Asheboro plan. The City's Net Pension Liability with the State of North Carolina Retirement System continues to increase. The liability for fiscal year ending June 30, 2024, is \$15,514,445

### Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City of Asheboro's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Asheboro's financing requirements.

Unassigned fund balance can be a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Asheboro itself, or a group or individual that has been delegated authority to assign resources for use for a particular purpose by the City of Asheboro's council.

For fiscal year end June 30, 2024, the City of Asheboro has two major funds, the General Operating Fund and the State Capital Infrastructure Fund. The major fund balances combined were \$21,619,988 and the non-major governmental fund balance was \$2,027,060. As of June 30, 2024, the City of Asheboro's governmental funds reported total fund balance of \$23,647,048 a net increase of \$3,309,617 or 16.3% in comparison with the prior year. Approximately 66.25% of the combined fund balance or \$15,667,232 constitutes unassigned fund balance. These funds are available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$769,858), 2) legally required to be maintained intact by state statute (\$4,992,502), 3) restricted for particular purposes (\$857,324), or 3) committed for particular purposes (\$1,308,132) or assigned for subsequent year's expenditures (\$52,000).

The General Fund is the chief operating fund of the City of Asheboro. At the end of the current fiscal year, the City of Asheboro's unassigned fund balance of \$15,699,374 was in the General Fund and its total fund balance was \$21,277,099. Fund balance available in the General Fund at current fiscal year end was \$16,165,932 or 38.57% of current year expenditures. The fund balance in the General Fund increased by \$3,309,617. An increase in ad valorem tax revenues attributed to the increase in fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. The General Fund unassigned fund balance is 37.46% of general fund expenditures.

**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 amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The General Fund budget for 2023-2024 was adopted on August 10, 2023 at \$48,737,069. The General Fund was amended during the year to a final adopted budget of \$46,977,852. The decreases to the budget are related fund balance appropriations which were able to be absorbed by current year revenues and expenditures which were to be funded by grants which were never received. Although there were decreases in the budget, the City continued to watch expenditures in relation to revenues. As a result of continued efforts to control expenditures in all areas, the General Fund final audited expenditures were \$41,906,590, a 23.4% decrease from the prior year.

**Proprietary Fund:** The City of Asheboro's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted Water and Sewer Fund net position at the end of the fiscal year amounted to \$10,242,111. The change in net position for the Water and Sewer Fund was an increase of \$1,070,105. Part of the increase is due to a N.C. Department of Commerce grant for infrastructure improvements. Costs continue to be high primarily due to costs associated with maintenance and repair and replacement of aging plant equipment and infrastructure.

Leases impacted the proprietary fund resulting in the balance of leases receivable of \$437,011 as of June 30, 2024. The deferred inflows relating to the leases was \$428,224. The City also recognized \$108,994 of lease revenue and \$20,916 of interest revenue under all four leases recorded. These balances are higher than the prior year due to reassessment of maturing leases in the fiscal year ending June 30, 2024.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City of Asheboro's investment in capital assets, before depreciation, for its governmental and business-type activities as of June 30, 2024 totals \$211,094,925. These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, plant and distribution system and vehicles.

Major capital asset transactions during the year include the following:

- A net increase of \$5,778,811 in governmental activities capital assets. Part of this is an increase in excess of \$7.7M in construction in progress. Some of the major transactions that are included in the above are \$3,732,665 for additions to construction in progress for Zoo City Sportsplex and \$2,253,104 for additions to construction in progress for the McCrary Ballpark Renovation. A total of more than \$32M in assets were capitalized from these two projects during the current fiscal year.
- A decrease of \$186,230 in the area of business type capital assets resulting mostly from the depreciation of Buildings and Plant and Distribution system assets. An increase of \$839,287 to construction in progress is noted for the Wolfsped Grant Project Fund

**City of Asheboro's Capital Assets**  
(net of depreciation)  
**Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 5,658,445	\$ 5,521,540	\$ 3,242,682	\$ 3,242,682	\$ 8,901,127	\$ 8,764,222
Buildings	14,583,266	7,509,932	9,971,994	10,365,423	24,555,260	17,875,355
Improvements other than buildings	24,707,469	2,536,274	-	1,670	24,707,469	2,537,944
Plant and distribution systems	-	-	19,364,816	20,546,837	19,364,816	20,546,837
Street construction	3,612,441	3,496,435	-	-	3,612,441	3,496,435
Equipment	4,946,607	3,174,863	2,519,075	2,297,913	7,465,682	5,472,776
Vehicles	4,873,353	4,387,305	522,074	191,633	5,395,427	4,578,938
Construction in progress	2,095,370	28,071,791	839,287	-	2,934,657	28,071,791
Total	\$ 60,476,951	\$ 54,698,140	\$36,459,928	\$36,646,158	\$ 96,936,879	\$ 91,344,298

Additional information on the City's capital assets can be found in Detail Notes Section III A.5 in the notes to the financial statements.

Management's Discussion and Analysis  
City of Asheboro

**Long-term Debt:** As of June 30, 2024, the City of Asheboro had no bonded debt outstanding. The installment purchase debt of \$4,008,118 is backed by security interest in the property for which it was issued.

**City of Asheboro's Outstanding Debt**

**Figure 5**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Direct Placement:						
Installment Purchases	\$ 3,201,636	\$ 3,085,140	\$ 806,482	\$ -	\$ 4,008,118	\$ 3,085,140
Notes payable	-	-	-	-	-	-
Direct Borrowing:						
Notes payable	-	-	2,135,637	2,605,001	2,135,637	2,605,001
Compensated absences	2,208,017	2,214,895	391,745	424,698	2,599,762	2,639,593
OPEB	22,492,944	21,933,730	6,849,692	6,667,502	29,342,636	28,601,232
Pension Related Debt- LGERS	11,847,009	10,247,266	3,667,436	3,205,278	15,514,445	13,452,544
Pension Related Debt - LEO	4,203,197	3,991,591	-	-	4,203,197	3,991,591
<b>Total</b>	<b>\$ 43,952,803</b>	<b>\$ 41,472,622</b>	<b>\$13,850,992</b>	<b>\$12,902,479</b>	<b>\$57,803,795</b>	<b>\$54,375,101</b>

The City of Asheboro's total outstanding long-term debt increased by \$453,614 during the past fiscal year. This change is due to the combined effects of a reduction in business activities notes payable of \$469,365 and an increase in business-type activities installment purchase obligations of \$806,482, as well as a net increase in governmental activities installment purchase obligations of \$116,496. There was also an increase in the net pension liability for the local Government Employees Retirement System (LGERS) of \$2,061,901. Of this increase in LGERS \$1,599,743 relates to governmental activities and \$462,158 relates to business-type activities.

As mentioned in the financial highlights section of this document, the City of Asheboro maintained its AA bond rating from Moody's Investor Service and A+ rating from Standard & Poor's and a rating of 83 by the North Carolina Municipal Council. This bond rating is indicative of the sound financial condition of City of Asheboro.

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. As of June 30, 2024, the legal debt margin for City of Asheboro is \$274,394,219.

Additional information regarding the City of Asheboro's long-term debt can be found in Detail Notes Section III B.7 in the notes to the financial statements.



**Economic Factors:**

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

- Unemployment. The City of Asheboro / Randolph County unemployment rate as of September 2024 of 3.2% in comparison to last year of 3.6%. By comparison, the State of North Carolina unemployment rate is 3.7% in comparison to 3.6% last year.
- Growth, as measured by tax valuation increased 27%. Property valuation increased by \$742,097,019. A majority of this increase is attributable to the revaluation in 2023 by Randolph County which effected current year taxes.
- Permits and Inspection fee revenue has increased 111% due to an increase in residential construction and recreation fee revenue has increased 41%. These increases are indicators of a healthy local economy.
- Growth, as measured by sales tax revenue has increased 5.2% over the prior fiscal year.
- The City of Asheboro continues to work in conjunction with the Chamber of Commerce to find ways to support these small businesses so that they can become sustainable in future economic challenges. The City is currently supporting financially a small business incubator program thru the chamber and has been receiving positive feedback.
- The City of completed the majority of the ZooCity Sportsplex during the current fiscal year as well as the majority of the McCrary Baseball Park renovations. Both projects should be a boost to the tourism industry and strengthen the City of Asheboro economy.

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

**Governmental Activities:** Property taxes and sales taxes, both from economic growth, are expected to increase in the 2024-2025 operating year. Budgeted expenditures in the General Fund are appropriated at \$48,188,719. The largest component in the budget is personnel costs, usual salary and fringe benefits outlined in the adopted pay plan. The appropriation for health insurance remained the same as in 2023-2024 budget. In the post COVID environment, the City has continued to have difficulty retaining staff and hiring qualified individuals to fill vacancies. Due to difficulties in filling positions, the City evaluated its pay plan in relation to industry and other municipal governments in the surrounding area and recommended a 2.5% COLA payment for all employees beginning January 1, 2025. The City hopes this investment in its personnel, following last year's pay plan changes, will improve retention and spur interest of qualified individuals in open positions, particularly in the police department where there are a significant number of unfilled positions. Other expenditures included are an appropriation of \$1,383,485 for economic development and community support, \$500,000 for the replacement of a heating and cooling equipment for the Asheboro/Randolph Public Library and required government 10% matches to 90% grant awards and capital outlay for equipment in various departments. Budgeted revenues include lease purchase proceeds of \$1,444,608 for capital outlay equipment which includes some budgeted equipment from 2023-2024 and an appropriation of fund balance of \$52,000.

**Business – type Activities:** For 2024-2025 the minimum inside city limits water rate prior to January 1, 2025 is \$15.58 with a consumption factor of \$3.07 per 100 CF. After January 1, 2025 the minimum inside city limits water rate is \$15.88 with a consumption factor of \$3.13 per 100 CF. For 2024-2025 the minimum inside city limits sewer rate is \$23.37 with a consumption factor of \$4.60 per 100 CF. After January 1, 2025 the minimum inside city limits sewer rate is \$23.84 with a consumption factor of \$4.70 per 100 CF. General operating expenses are budgeted at \$23,282,669. Included in the revenues is DWSRF loan proceeds of \$2,700,000 for offsetting expenses relating to planned upgrades / replacement of aging equipment and building maintenance and repair. In order to improve retention and find qualified individuals to fill vacant positions, included in the budget is a 2.5% salary increase beginning January 1, 2025 for all employees. There is an appropriation of retained earnings of \$412,552 in the August 10, 2024 adopted budget for 2024-2025.

## **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 Director of Finance, City of Asheboro, 146 North Church Street, P.O. Box 1106, Asheboro, NC 27204-1106.

## CITY OF ASHEBORO, NORTH CAROLINA

Exhibit 1

## STATEMENT OF NET POSITION

June 30, 2024

	Primary Government			City of Asheboro ABC Board
	Governmental Activities	Business-Type Activities	Total	
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 17,027,465	\$ 13,339,815	\$ 30,367,280	\$ 810,584
Investments	684,054	-	684,054	-
Receivables:				
Taxes Receivable - Net	240,477	-	240,477	-
Accounts Receivable	275,090	2,746,357	3,021,447	-
Leases Receivable	-	87,584	87,584	-
Due From Other Governments	4,367,165	80,377	4,447,542	-
Notes Receivable	910,653	88,890	999,543	-
Inventories	477,640	1,658,508	2,136,148	483,744
Prepaid Charge - Future Revenues	292,218	-	292,218	-
Prepaid Expenses	-	-	-	8,310
Restricted Assets:				
Cash and Cash Equivalents	8,290,916	1,889,917	10,180,833	-
Total Current Assets	32,565,678	19,891,448	52,457,126	1,302,638
Noncurrent Assets:				
Leases Receivable - Non-Current	-	349,427	349,427	-
Capital Assets:				
Land, and Construction in Progress	7,753,815	4,081,969	11,835,784	-
Other Capital Assets, Net of Depreciation	52,723,136	32,377,959	85,101,095	34,982
Right to Use Assets, Net of Amortization	-	-	-	267,682
Total Capital Assets	60,476,951	36,459,928	96,936,879	302,664
Deposits	-	-	-	110
Total Non-current Assets	60,476,951	36,809,355	97,286,306	302,774
<b>Total Assets</b>	<b>93,042,629</b>	<b>56,700,803</b>	<b>149,743,432</b>	<b>1,605,412</b>
<b>Deferred Outflows of Resources</b>	<b>14,959,076</b>	<b>4,445,775</b>	<b>19,404,851</b>	<b>119,566</b>
<b>Liabilities:</b>				
Accounts Payable and Accrued Liabilities	946,393	616,896	1,563,289	137,319
Deposits	20,400	670,565	690,965	-
Payable From Restricted Assets	388,192	195,153	583,345	-
Retainage Payable	443,125	-	443,125	-
Unearned Revenues	5,996,963	351,593	6,348,556	-
Accrued Interest Payable	-	5,988	5,988	-
Due to Primary Government	-	-	-	18,602
Current Portion of Long-Term Liabilities	3,839,244	1,315,387	5,154,631	-
Total Current Liabilities	11,634,317	3,155,582	14,789,899	155,921
Long-Term Liabilities:				
Net Pension Liability - Funded	11,847,009	3,667,436	15,514,445	202,600
Total Pension Liability	4,203,197	-	4,203,197	-
Total OPEB Liability	21,053,371	6,428,062	27,481,433	-
Due in More Than One Year	3,009,984	2,440,108	5,450,092	278,237
Total Long-Term Liabilities	40,113,561	12,535,606	52,649,167	480,837
<b>Total Liabilities</b>	<b>51,747,878</b>	<b>15,691,188</b>	<b>67,439,066</b>	<b>636,758</b>
<b>Deferred Inflows of Resources</b>	<b>2,675,789</b>	<b>1,084,141</b>	<b>3,759,930</b>	<b>56,577</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	56,803,061	34,129,138	90,932,199	34,982
Restricted For:				
Stabilization by State Statute	4,992,502	-	4,992,502	-
Transportation	29,814	-	29,814	-
Economic Development	746,161	-	746,161	-
Capital Projects	1,004,739	-	1,004,739	442,944
Working Capital	-	-	-	173,354
Unrestricted	(9,998,239)	10,242,111	243,872	380,363
<b>Total Net Position</b>	<b>\$ 53,578,038</b>	<b>\$ 44,371,249</b>	<b>\$ 97,949,287</b>	<b>\$ 1,031,643</b>

The Notes to Financial Statements are an integral part of these Statements.

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government			City of Asheboro ABC Board
					Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>								
General Government	\$ 6,725,008	\$ 31,467	\$ 107,956	\$ -	\$ (6,585,585)	\$ -	\$ (6,585,585)	\$ -
Public Safety	21,465,333	663,898	-	135,874	(20,665,561)	-	(20,665,561)	-
Transportation	5,530,082	101,447	835,970	162,424	(4,430,241)	-	(4,430,241)	-
Environmental Protection	2,447,510	2,906,352	-	-	458,842	-	458,842	-
Cultural and Recreational	7,373,457	677,777	399,163	1,456,768	(4,839,749)	-	(4,839,749)	-
Economic and Physical Development	256,694	-	976,338	-	719,644	-	719,644	-
Interest on Long-term Debt	102,023	-	-	-	(102,023)	-	(102,023)	-
<b>Total Governmental Activities</b>	<b>43,900,107</b>	<b>4,380,941</b>	<b>2,319,427</b>	<b>1,755,066</b>	<b>(35,444,673)</b>	<b>-</b>	<b>(35,444,673)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Water and Sewer	16,812,349	16,444,477	-	889,693	-	521,821	521,821	-
<b>Total Business-Type Activities</b>	<b>16,812,349</b>	<b>16,444,477</b>	<b>-</b>	<b>889,693</b>	<b>-</b>	<b>521,821</b>	<b>521,821</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 60,712,456</b>	<b>\$ 20,825,418</b>	<b>\$ 2,319,427</b>	<b>\$ 2,644,759</b>	<b>(35,444,673)</b>	<b>521,821</b>	<b>(34,922,852)</b>	<b>-</b>
<b>Component Unit:</b>								
ABC Board	\$ 4,582,490	\$ 4,506,418	\$ -	\$ -	-	-	-	(76,072)
<b>Total Component Unit</b>	<b>\$ 4,582,490</b>	<b>\$ 4,506,418</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(76,072)</b>
<b>General Revenues:</b>								
Taxes:								
Property taxes, levied for general purpose					25,067,884	-	25,067,884	-
Sales taxes					8,378,751	-	8,378,751	-
Franchise taxes					2,665,862	-	2,665,862	-
Sales taxes - hold harmless					2,274,115	-	2,274,115	-
Other taxes					272,369	-	272,369	-
Unrestricted investment earnings					808,330	379,757	1,188,087	-
Miscellaneous revenues					2,014,680	200,277	2,214,957	22,337
<b>Total General Revenues Not Including Transfers</b>					<b>41,481,991</b>	<b>580,034</b>	<b>42,062,025</b>	<b>22,337</b>
<b>Transfers</b>					<b>31,750</b>	<b>(31,750)</b>	<b>-</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>41,513,741</b>	<b>548,284</b>	<b>42,062,025</b>	<b>22,337</b>
<b>Change in Net Position</b>					<b>6,069,068</b>	<b>1,070,105</b>	<b>7,139,173</b>	<b>(53,735)</b>
<b>Net Position Beginning of Year, Previously Reported</b>					<b>47,508,970</b>	<b>43,301,144</b>	<b>90,810,114</b>	<b>1,085,378</b>
<b>Net Position End of Year</b>					<b>\$ 53,578,038</b>	<b>\$ 44,371,249</b>	<b>\$ 97,949,287</b>	<b>\$ 1,031,643</b>

The Notes to Financial Statements are an integral part of these Statements.

**CITY OF ASHEBORO, NORTH CAROLINA**

Exhibit 3  
(Page 1 of 2)

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	<u>Major Funds</u>			
	<u>General</u>	<u>State Capital Infrastructure Fund</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 16,564,543	\$ -	\$ 462,922	\$ 17,027,465
Investments	684,054	-	-	684,054
Receivables:				
Taxes Receivable - Net	240,477	-	-	240,477
Accounts Receivable	261,177	-	13,913	275,090
Due From Other Governments	4,154,788	-	212,377	4,367,165
Notes Receivable	613,005	-	297,648	910,653
Inventories	477,640	-	-	477,640
Prepaid Charge - Future Revenues	292,218	-	-	292,218
Restricted Assets:				
Cash and Cash Equivalents	434,957	5,890,529	1,965,430	8,290,916
<b>Total Assets</b>	<b>\$ 23,722,859</b>	<b>\$ 5,890,529</b>	<b>\$ 2,952,290</b>	<b>\$ 32,565,678</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable and Accrued Liabilities	\$ 926,393	\$ -	\$ 20,000	\$ 946,393
Deposits	20,400	-	-	20,400
Payable From Restricted Assets	-	-	388,192	388,192
Retainage Payable	-	-	443,125	443,125
Unearned Revenues	389,323	5,547,640	60,000	5,996,963
<b>Total Liabilities</b>	<b>1,336,116</b>	<b>5,547,640</b>	<b>911,317</b>	<b>7,795,073</b>
<b>Deferred Inflows of Resources</b>	<b>1,109,644</b>	<b>-</b>	<b>13,913</b>	<b>1,123,557</b>
<b>Fund Balances:</b>				
Nonspendable:				
Inventories	477,640	-	-	477,640
Prepaid Charge - Future Revenues	292,218	-	-	292,218
Restricted:				
Stabilization by State Statute	4,341,311	-	651,191	4,992,502
Streets	29,814	-	-	29,814
Economic and Physical Development	-	342,889	-	342,889
Capital Projects	-	-	99,879	99,879
Unspent Debt Proceeds	384,742	-	-	384,742
Committed:				
Capital Projects	-	-	904,860	904,860
Economic and Physical Development	-	-	403,272	403,272
Assigned:				
Subsequent Year's Expenditures	52,000	-	-	52,000
Unassigned	15,699,374	-	(32,142)	15,667,232
<b>Total Fund Balances</b>	<b>21,277,099</b>	<b>342,889</b>	<b>2,027,060</b>	<b>23,647,048</b>
<b>Total Liabilities, Deferred Inflows         of Resources and Fund Balances</b>	<b>\$ 23,722,859</b>	<b>\$ 5,890,529</b>	<b>\$ 2,952,290</b>	

The Notes to Financial Statements are an integral part of these Statements.

CITY OF ASHEBORO, NORTH CAROLINA

Exhibit 3  
(Page 2 of 2)

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

Total Fund balance, Governmental Funds		\$	23,647,048
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Gross capital assets at historical cost	\$	113,998,233	
Accumulated depreciation		<u>(53,521,282)</u>	60,476,951
Deferred outflows of resources related to pensions.			7,109,642
Deferred outflows of resources related to OPEB.			7,114,645
Deferred outflows of resources related to LEOSSA			734,789
Net pension liability			(11,847,009)
Total pension liability			(4,203,197)
Total OPEB liability			(22,492,944)
Deferred inflows of resources related to pensions			(53,721)
Deferred inflows of resources related to OPEB.			(2,059,126)
Deferred inflows of resources related to LEOSSA			(552,347)
Liabilities for earned revenues considered deferred inflows in fund statements.			1,112,962
Some liabilities, including bonds payable, notes payable, installment purchases payable, accrued interest, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.			<u>(5,409,655)</u>
		\$	<u>53,578,038</u>

The Notes to Financial Statements are an integral part of these Statements.

**CITY OF ASHEBORO, NORTH CAROLINA**

Exhibit 4  
(Page 1 of 2)

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2024

	<u>Major Funds</u>			
	General	State Capital Infrastructure Fund	Total Non-Major Funds	Total Governmental Funds
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 24,967,329	\$ -	\$ -	\$ 24,967,329
Other Taxes and Licenses	65,125	-	-	65,125
Intergovernmental Revenues:				
Unrestricted	14,272,771	-	-	14,272,771
Restricted	1,653,670	876,338	212,424	2,742,432
Permits and Fees	633,859	-	-	633,859
Sales and Services	3,696,972	-	-	3,696,972
Investment Earnings	596,196	205,517	6,617	808,330
Miscellaneous Revenue	361,510	-	1,407,068	1,768,578
<b>Total Revenues</b>	<u>46,247,432</u>	<u>1,081,855</u>	<u>1,626,109</u>	<u>48,955,396</u>
<b>Expenditures:</b>				
Current:				
General Government	6,387,880	-	-	6,387,880
Public Safety	20,645,209	-	-	20,645,209
Transportation	4,592,694	-	-	4,592,694
Environmental Protection	2,435,371	-	-	2,435,371
Cultural and Recreational	5,711,952	-	-	5,711,952
Economic and Physical Development	-	256,694	-	256,694
Debt Service	1,173,634	-	-	1,173,634
Capital Outlay	-	-	6,588,553	6,588,553
<b>Total Expenditures</b>	<u>40,946,740</u>	<u>256,694</u>	<u>6,588,553</u>	<u>47,791,987</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>5,300,692</u>	<u>825,161</u>	<u>(4,962,444)</u>	<u>1,163,409</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to Other Funds	(959,850)	(619,644)	(1,181,897)	(2,761,391)
Transfers From Other Funds	1,181,897	-	1,611,244	2,793,141
Sale of Capital Assets	878,316	-	-	878,316
Insurance Recovery	48,034	-	-	48,034
Installment Purchase Obligations Issued	1,188,108	-	-	1,188,108
<b>Total Other Financing Sources (Uses)</b>	<u>2,336,505</u>	<u>(619,644)</u>	<u>429,347</u>	<u>2,146,208</u>
<b>Net Change in Fund Balances</b>	7,637,197	205,517	(4,533,097)	3,309,617
<b>Fund Balance Beginning of Year</b>	<u>13,639,902</u>	<u>137,372</u>	<u>6,560,157</u>	<u>20,337,431</u>
<b>Fund Balance End of Year</b>	<u>\$ 21,277,099</u>	<u>\$ 342,889</u>	<u>\$ 2,027,060</u>	<u>\$ 23,647,048</u>

The Notes to Financial Statements are an integral part of these Statements.

CITY OF ASHEBORO, NORTH CAROLINA

Exhibit 4  
(Page 2 of 2)

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

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

Net changes in fund balances - total governmental funds	\$	3,309,617
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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 outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$	9,344,404	
Depreciation expense for governmental assets		<u>(3,544,050)</u>	5,800,354

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

Change in unavailable revenues	106,086
Loss on Sale of Capital Assets	(21,540)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,256,528
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Benefit payments paid and administrative expense for the LEOSA are not included on the Statement of Activities	220,874
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OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities	1,439,572
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(116,497)

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	6,877
Pension expense	(3,717,712)
OPEB plan expense	<u>(3,215,091)</u>

Total changes in net position of governmental activities	\$	<u>6,069,068</u>
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The Notes to Financial Statements are an integral part of these Statements.



STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2024

	General Fund			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 24,013,401	\$ 24,013,401	\$ 24,967,329	\$ 953,928
Other Taxes and Licenses	718,829	36,838	65,125	28,287
Intergovernmental Revenues:				
Unrestricted	14,120,891	14,817,975	14,272,771	(545,204)
Restricted	3,313,518	1,163,841	1,653,670	489,829
Permits and Fees	254,442	254,442	633,859	379,417
Sales and Services	3,479,361	3,324,321	3,696,972	372,651
Investment Earnings	-	234,861	596,196	361,335
Miscellaneous Revenue	633,821	340,584	361,510	20,926
<b>Total Revenues</b>	<b>46,534,263</b>	<b>44,186,263</b>	<b>46,247,432</b>	<b>2,061,169</b>
<b>Expenditures:</b>				
Current:				
General Government	7,759,677	7,580,114	6,387,880	1,192,234
Public Safety	20,738,222	21,076,120	20,645,209	430,911
Transportation	6,304,037	5,613,897	4,592,694	1,021,203
Environmental Protection	2,706,435	2,682,060	2,435,371	246,689
Cultural and Recreational	8,448,930	7,473,743	5,711,952	1,761,791
Debt Service	1,073,068	1,239,068	1,173,634	65,434
<b>Total Expenditures</b>	<b>47,030,369</b>	<b>45,665,002</b>	<b>40,946,740</b>	<b>4,718,262</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(496,106)</b>	<b>(1,478,739)</b>	<b>5,300,692</b>	<b>6,779,431</b>
<b>Other Financing Sources (Uses):</b>				
Transfers From Other Funds	-	336,820	1,181,897	845,077
Transfers to Other Funds	(1,706,700)	(1,312,850)	(959,850)	353,000
Sale of Capital Assets	827,000	803,000	878,316	75,316
Insurance Recovery	-	-	48,034	48,034
Installment Purchase Obligations Issued	557,846	1,651,769	1,188,108	(463,661)
<b>Total Other Financing Sources (Uses)</b>	<b>(321,854)</b>	<b>1,478,739</b>	<b>2,336,505</b>	<b>857,766</b>
<b>Appropriated Fund Balance</b>	<b>817,960</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>7,637,197</b>	<b>\$ 7,637,197</b>
<b>Fund Balance Beginning of Year</b>			<b>13,639,902</b>	
<b>Fund Balance End of Year</b>			<b>\$ 21,277,099</b>	

The Notes to Financial Statements are an integral part of these Statements.

## STATEMENT OF NET POSITION

## PROPRIETARY FUND

June 30, 2024

	Water and Sewer Fund
<b>Assets:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 13,339,815
Accounts Receivable - Net	2,746,357
Leases Receivable	87,584
Due From Other Governments	80,377
Note Receivable	88,890
Inventories	1,658,508
Restricted Assets:	
Cash and Cash Equivalents	1,889,917
Total Current Assets	19,891,448
Noncurrent Assets:	
Leases Receivable - Non-Current	349,427
Capital Assets:	
Land, Improvements and Construction in Progress	4,081,969
Other Capital Assets, Net of Depreciation	32,377,959
Total Capital Assets (Net)	36,459,928
Total Noncurrent Assets	36,809,355
<b>Total Assets</b>	<b>\$ 56,700,803</b>
<b>Deferred Outflows of Resources</b>	<b>\$ 4,445,775</b>
<b>Liabilities:</b>	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	616,896
Customer Deposits	670,565
Payable From Restricted Assets	195,153
Unearned Revenues	351,593
Accrued Interest Payable	5,988
Total OPEB Liability - Current	421,630
Compensated Absences - Current	274,666
Installment Purchase Obligations - Current	149,727
Notes Payable State of North Carolina - Current	469,364
Total Current Liabilities	3,155,582
Noncurrent Liabilities:	
Total OPEB Liability - Noncurrent	6,428,062
Compensated Absences	117,080
Net Pension Liability	3,667,436
Installment Purchase Obligations - Noncurrent	656,755
Notes Payable State of North Carolina - Noncurrent	1,666,273
Total Noncurrent Liabilities	12,535,606
<b>Total Liabilities</b>	<b>15,691,188</b>
<b>Deferred Inflows of Resources</b>	<b>1,084,141</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	34,129,138
Unrestricted	10,242,111
<b>Total Net Position</b>	<b>\$ 44,371,249</b>

The Notes to Financial Statements are an integral part of these Statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND TYPE  
For the Year Ended June 30, 2024

	<u>Water and Sewer Fund</u>
<b>Operating Revenues:</b>	
Water Sales	\$ 7,456,070
Sewer Charges	7,901,205
Water and Sewer Taps	212,525
Sampling and Monitoring Fees	25,232
Surcharges	209,091
Other Operating Revenues	640,354
<b>Total Operating Revenues</b>	<u>16,444,477</u>
<b>Operating Expenses:</b>	
Billing and Collections	805,621
Water Meter Operations	1,019,530
Water Supply Treatment	3,526,107
Wastewater Treatment	3,074,780
Water Maintenance	1,678,436
Wastewater Maintenance	1,494,148
Technical Services	344,888
Systems Maintenance	1,811,888
Water Quality	851,133
Depreciation	2,153,279
<b>Total Operating Expenses</b>	<u>16,759,810</u>
<b>Operating Loss</b>	<u>(315,333)</u>
<b>Nonoperating Revenues (Expenses):</b>	
Lease Revenue	108,994
Investment Earnings	379,757
Interest and Other Charges	(43,887)
Loss on Sale of Assets	(8,652)
Other Nonoperating Revenues	91,283
<b>Total Nonoperating Revenues (Expenses)</b>	<u>527,495</u>
<b>Income Before Contributions and Transfers</b>	<u>212,162</u>
Capital Contributions	889,693
Transfers to Other Funds:	
Zoo City Park Sportsplex Fund	(31,750)
<b>Change in Net Position</b>	<u>1,070,105</u>
<b>Total Net Position Beginning of Year, Previously Reported</b>	<u>43,301,144</u>
<b>Total Net Position - End of Year</b>	<u><u>\$ 44,371,249</u></u>

The Notes to Financial Statements are an integral part of these Statements.

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUND

For the Year Ended June 30, 2024

	Water and Sewer Fund
<b>Cash Flows From Operating Activities:</b>	
Cash Received From Customers	\$ 16,007,484
Cash Paid for Goods and Services	(6,462,671)
Cash Paid to Employees for Services	(7,249,759)
Customer Deposits Received	15,401
Other Operating Revenues	840,631
<b>Net Cash Provided by Operating Activities</b>	<b>3,151,086</b>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Transfers to Other Funds	(31,750)
<b>Net Cash (Used) by Noncapital Financing Activities</b>	<b>(31,750)</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition of Capital Assets	(1,925,593)
Proceeds From Sale of Assets	300
Installment Purchase Obligations Issued	806,482
Capital Contributions - State Grant	839,286
Principal Paid on Bonds and Installment Purchase Agreements	(469,364)
Interest Paid on Bonds and Installment Purchase Agreements	(43,887)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(792,776)</b>
<b>Cash Flows from Investing Activities:</b>	
Interest Earned on Investments	379,757
<b>Net Increase in Cash and Cash Equivalents</b>	<b>2,706,317</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>12,523,415</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 15,229,732</b>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>	
Operating Loss	\$ (315,333)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</b>	
Depreciation	2,153,279
Other Nonoperating Revenue	200,277
<b>Changes in Assets, Deferred Outflows of Resources and Liabilities:</b>	
(Increase) in Accounts Receivable	(6,327)
(Increase) in Leases Receivable	(50,292)
(Increase) in Inventory	(424,709)
(Increase) in Deferred Outflows of Resources - Pension	(127,621)
Increase in Net Pension Liability	462,158
(Decrease) in Deferred Inflows of Resources - Pension	(557)
Decrease in Deferred Outflows of Resources - OPEB	268,490
Increase in OPEB Liability	182,191
Increase in Deferred Inflows of Resources - OPEB	66,778
Increase in Deferred Inflows - Leases	47,408
Increase in Accounts Payable and Accrued Liabilities	500,325
Increase in Customer Deposits	15,400
(Decrease) in Accrued Compensated Absences	(32,952)
Increase in Unearned Revenues	212,571
<b>Total Adjustments</b>	<b>3,466,419</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 3,151,086</b>

The Notes to Financial Statements are an integral part of these Statements.

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2024

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### A. REPORTING ENTITY.

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

City of Asheboro ABC Board.

The members of the ABC Board's governing board are appointed by the City. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at City of Asheboro ABC Board, 700 South Fayetteville Street, Asheboro, North Carolina 27203.

##### B. BASIS OF PRESENTATION.

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities, with the exception of internal services provided and other charges between the City's water and sewer function and various other functions of the City. 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 particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### B. BASIS OF PRESENTATION. (Continued)

*Fund Financial Statements (Concluded):* 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 required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, sanitation services, parks and recreation, and general government services.

*State Capital Infrastructure (SCIF) Special Revenue Fund.* This fund accounts for grant funds to be used for capital infrastructure for economic development.

The City reports the following non-major governmental funds:

*The Asheboro Housing Development Special Revenue Fund.* This fund accounts for grant funds and funds committed by the City council restricted for rehabilitation of housing for individuals deemed to be in economic need of financing.

*The Economic and Tourism Development Special Revenue Fund.* This fund accounts for resources to be used in the enhancement of the local business community and is funded from State grants and funds committed by the City council.

*The CDBG Coronavirus (CDBG – CV) Special Revenue Fund.* This fund accounts for grant funds and funds committed by the City council to address community needs because of the pandemic.

*The Emergency Operations Center/Fire Station #3 Capital Project Fund.* This fund accounts for grant funds for the construction of an emergency operations center and a third fire station for the City of Asheboro emergency services.

*The David and Pauline Jarrell Center City Garden Capital Project Fund.* This fund accounts for City commitments for the construction of a park.

*McCrary Ballpark Improvements Capital Project Fund.* This fund accounts for City commitments for the renovations of the McCrary Baseball Park.

*The Airport Improvements Capital Project Fund II.* This fund accounts for Federal Aviation Administration grant funding to construct a corporate hangar at the City airport.

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### B. BASIS OF PRESENTATION. (Concluded)

*The Zoo City Park Sportsplex Capital Project Fund.* This fund accounts for grant funds and City commitments to construct a multisport park complex for the citizens of the City. This fund was a major fund in the year ended June 30, 2023, but did not meet the quantitative thresholds to be reported as major for the year ended June 30, 2024.

The City reports the following major enterprise fund:

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

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

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

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

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's enterprise fund 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 the City's enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING. (Concluded)

capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under leases and IT subscriptions are reported as other financing sources.

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

Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources. Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Asheboro because the tax is levied by Randolph County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the 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 position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by 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 Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for Special Revenue Funds, Capital Project Funds, and the Enterprise Fund Capital Projects Funds, which are consolidated with the 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 all annually budgeted funds and at the object level for the multi-year funds. The City Manager is authorized by the budget ordinance to transfer appropriations between line items within a department without limitation; however, any transfers between departments within the same fund and transfers between funds must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. 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 ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

###### 1. Deposits and Investments

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

State law [G.S.159-30(c)] authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and mutual fund shares when the mutual fund is certified by the Local Government Commission. The City's and the ABC Board's investments are reported at fair value. The North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC registered money market mutual 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 NCCMT Government Portfolio is a 2a-7 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.

###### 2. Cash and Cash Equivalents

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

###### 3. Restricted Assets

Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are classified as restricted cash because they can be expended only for the purposes outlined per G.S. 136-41.1 through 136-41.4. Unexpended debt proceeds are classified as restricted cash due to the debt being for capital outlay. Funds in the Zoo City Park Sportsplex Project Fund are restricted for expenditures committed by the City council and restricted by donors. Funds in the David and Pauline Jarrell Center City Garden Project Fund are restricted for expenditures committed by the City council and restricted by donors. Funds in the McCrary Ballpark Improvements Capital Project Fund are restricted for expenditures committed by the City council and restricted by donors. Funds in the State Capital Infrastructure (SCIF) Special Revenue Fund are restricted for capital infrastructure and economic development. Funds in the Airport Improvements Capital Project Fund II are restricted by grantors and City commitments for a construction project. Funds in the CDBG-CV Special Revenue Fund are restricted due to being unspent grant proceeds. Funds in the Wolfsped Grant Water and Sewer Capital Project Fund are restricted for a construction project funded by a North Carolina State grant.

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND FUND EQUITY. (Continued)

##### 3. Restricted Assets (Concluded)

City of Asheboro - Restricted Cash	
Governmental Activities:	
General Fund:	
Deposits	\$ 20,400
Transportation - Streets	29,814
Unspent Debt Proceeds	384,743
Other Governmental:	
Capital Outlay	1,945,080
Economic and Physical Development	5,910,879
Water and Sewer Fund:	
Deposits	670,565
Capital Outlay	412,869
Unspent Debt Proceeds	806,483
Total Restricted Cash	<u>\$10,180,833</u>

##### 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, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. As allowed by State law, the City has established a schedule of discounts that apply to taxes which 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. Leases Receivable

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreements. Deferred inflows of resources are recorded for the leases. The deferred inflows of resources are recorded at the initiation of the leases in amounts equal to the initial recording of the leases receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of the leases.

##### 7. Inventory

The inventories of the City and the ABC Board are valued at cost (first-in, first-out), which approximates market. The City's General Fund inventory consists of expendable supplies that are

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND FUND EQUITY. (Continued)

###### 7. Inventory (Concluded)

recorded as inventory when purchased and expended when consumed. The inventories of the City's enterprise fund and those of the ABC Board consist of materials and supplies held for consumption. The cost of these inventories is recorded as an expense as the inventories are consumed.

###### 8. Capital Assets

The City's purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the time of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. Minimum capitalization costs are \$3,500 for the following types of assets: land, land improvements, buildings, infrastructure, equipment, and vehicles. 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.

General infrastructure capital assets, including roads, bridges, streets and sidewalks, curbs and gutters and storm drainage systems are capitalized along with other capital assets as "Street Construction" or "Land Improvements." General infrastructure capital assets acquired prior to June 30, 1991 are recorded at historical cost. General infrastructure capital assets acquired prior to July 1, 2002 and subsequent to July 1, 1991 are reported at estimated historical cost using deflated replacement cost. General infrastructure capital assets acquired subsequent to July 1, 2002 are recorded at cost.

Plant assets used in the business-type activities of the City are depreciated on a composite straight-line basis for the entire plant, regardless of the year of acquisition, at a 2% annual rate. In the composite rate, gain or loss on dispositions is not calculated except in extraordinary circumstances. Other assets used in the business-type activities of the City are depreciated on a class life basis at the following rates:

Furniture and office equipment	10-20 years
Maintenance and construction equipment	10-20 years
Medium and heavy motor vehicles	10-20 years
Automobiles and light trucks	3 years

Capital assets used in the governmental activities of the City are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Land Improvements	20 years
Street Construction	20 years
Equipment	5-10 years
Vehicles	5-15 years

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### E. ASSETS, LIABILITIES, DEFERRD OUTFLOWS/INFLOWS OF RESOURCES AND FUND EQUITY. (Continued)

###### 8. Capital Assets (Concluded)

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

Store Equipment	Various
Leasehold Improvements	10 years

###### 9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net 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 deferrals and OPEB deferrals for the current fiscal year. In addition to liabilities, the statement of financial position can also 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 this criterion – prepaid taxes, property taxes receivable, notes receivable (reported only on the Balance Sheet of the Governmental Funds), OPEB deferrals, pension deferrals and lease related deferrals for the current fiscal year.

###### 10. Long-Term Obligations

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

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

###### 11 Compensated Absences

The vacation policies of the City provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary related

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### E. ASSETS, LIABILITIES, DEFERRD OUTFLOWS/INFLOWS OF RESOURCES AND FUND EQUITY. (Continued)

###### 11 Compensated Absences (Concluded)

payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

###### 12. Net Position/Fund Balances

###### Net Position.

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

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

###### Fund Balances.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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.

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### E. ASSETS, LIABILITIES, DEFERRD OUTFLOWS/INFLOWS OF RESOURCES AND FUND EQUITY. (Continued)

##### 12. Net Position/Fund Balances (Continued)

##### Fund Balances (Continued).

##### Nonspendable Fund Balance (Concluded)

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

Prepaid Charge – Future Revenues – portion of fund balance that is not an available resource because it represents the year-end unamortized balance of the purchase price of future revenue streams.

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

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

Restricted for Capital Projects – portion of fund balance that is restricted by revenue sources for various project expenditures.

Restricted for Economic and Physical Development – portion of fund balance restricted by revenue sources for expenditures related to infrastructure development.

Restricted for Unspent Debt Proceeds – portion of fund balance that is restricted due to debt proceeds required to be used for capital outlay.

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### E. ASSETS, LIABILITIES, DEFERRD OUTFLOWS/INFLOWS OF RESOURCES AND FUND EQUITY. (Concluded)

##### 12. Net Position/Fund Balances (Concluded)

Fund Balances (Concluded).

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City of Asheboro’s governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires a majority vote by quorum by the governing body in the form of a resolution.

Committed for Capital Projects – portion of fund balance committed by the City Council for capital project expenditures.

Committed for Economic and Physical Development – portion of fund balance committed by the City Council for economic and physical development.

Assigned Fund Balance – portion of fund balance assigned by majority vote of the governing body that the City of Asheboro intends to use for specific purposes.

Subsequent Year’s Expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance – 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 that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

##### 13. Defined Benefit Cost-Sharing Plans

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 Asheboro’s employer contributions are recognized when due and the City of Asheboro has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$ 29,930,990 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$113,998,233
Less Accumulated Depreciation	<u>( 53,521,282)</u>
Net Capital Assets	60,476,951
Pension related deferred outflows of resources:	
Contributions made to pension plan in current fiscal year	2,256,528
Benefit payments and pension administrative costs for LEOSA	220,874
Pension deferrals	4,853,114
Pension deferrals - LEOSA	513,915
Benefit payments for OPEB	1,439,572
OPEB deferrals	5,675,073
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide statements	1,112,962
Deferred inflows of resources reported in government-wide statements but not fund statements:	
Pension deferrals	( 53,721)
OPEB deferrals	( 2,059,126)
Pension deferrals - LEOSA	( 552,347)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment Financing Agreements	( 3,201,638)
Compensated Absences	( 2,208,017)
Net Pension Liability	( 11,847,009)
Total Pension Liability	( 4,203,197)
Total OPEB Liability	<u>( 22,492,944)</u>
Total Adjustment	<u>\$ 29,930,990</u>



# CITY OF ASHEBORO, NORTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

#### F. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS (Concluded)

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between net changes in fund balances – total governmental funds and changes in net position – governmental activities as reported in the government-wide statement of activities. These are several elements of that total adjustment of \$ 2,759,451 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 9,344,404
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	( 3,544,050)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities – it effects only the government-wide statement of net position	( 1,188,108)
Principal payments on debt owed are recorded as a use of funds on the fund statements but effect only the statement of net position in the government-wide statements	1,071,611
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	2,256,528
Benefit payments and administrative costs for LEOSA are deferred outflows of resources on the statement of net position	220,874
Benefit payments and administrative costs for OPEB are deferred outflows of resources on the statement of net position	1,439,572
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Pension expense	( 3,717,712)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	6,877
OPEB plan expense	( 3,215,091)
Loss on disposal of capital assets	( 21,540)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Increase in deferred inflows - taxes receivable at June 30, 2024	100,555
Increase in deferred inflows – service charges receivable at June 30, 2024	5,831
Decrease in deferred inflows - notes receivable at June 30, 2024	( 300)
Total Adjustment	<u>\$ 2,759,451</u>

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

##### A. Noncompliance With North Carolina General Statutes

1. During the year ended June 30, 2024, the City invested in shares of a money market mutual fund which invests in obligations of the United States. This investment was not in a mutual fund certified by the North Carolina Local Government Commission as required by G.S. 159-30(c)(8). As of June 30, 2024, the City still had funds in this investment. Subsequent to June 30, 2024, the City liquidated this investment and invested the proceeds directly into short-term U.S. treasuries.
2. North Carolina General Statute [159-34](#) requires each unit of local government and public authority to have its accounts audited each fiscal year and to submit a copy of the audit report to the Secretary of the Local Government Commission (LGC). Audit reports for are due four months after fiscal year end. The audit of the City of Asheboro was submitted subsequent to October 31, 2024 due to health issues in the family of the staff tasked with completing the financial statements. The City's management will make every effort to rectify this issue in the future.

#### III. DETAIL NOTES ON ALL FUNDS

##### A. ASSETS.

###### 1. Deposits

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

At June 30, 2024, the City's deposits had a carrying amount of \$13,001,453 and a bank balance of \$14,068,415. Of the bank balance, \$500,000 was covered by federal depository insurance and \$13,568,415 was covered by collateral held under the Pooling Method. At June 30, 2024, the City's petty cash fund totaled \$23,873. The carrying amount of deposits for the ABC Board was \$360,292 and the bank balance was \$489,081. Of the bank balance, \$250,000 was covered by federal

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. ASSETS. (Continued)**

**1. Deposits (Concluded)**

depository insurance, and the remainder under the Pooling Method. The ABC Board's petty cash fund totaled \$7,348.

**2. Investments**

As of June 30, 2024, the City had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	Rating
Goldman Sachs Financial Square TRSY Solutions Fund	Fair Value – Level 1	\$ 684,054	\$ 684,054	AAAm
NC Capital Management Trust – Government Portfolio	Fair Value – Level 1	27,522,787	27,522,787	AAAm
Total		<u>\$ 28,206,841</u>	<u>\$ 28,206,841</u>	

Because the North Carolina Capital Management Trust's Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The City has no policy regarding credit risk or interest rate risk.

Level of fair value hierarchy: Level 1; Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

At June 30, 2024, the ABC Board had \$442,944 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The ABC Board has no policy on credit risk.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. ASSETS. (Continued)**

**3. Receivables - Allowances for Doubtful Accounts**

The amount of taxes receivable presented in the balance sheet and the statement of net position does not include amounts for penalties.

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

Fund	6/30/2024
General Fund:	
Taxes Receivable	\$ 45,000
Enterprise Fund:	
Customer Accounts Receivable	<u>75,000</u>
Total	<u>\$ 120,000</u>

**4. Leases Receivable**

In years prior to June 30, 2024, the City had entered into four leases with tenants to lease portions of City owned property. All of the leases were for five years. During the year ended June 30, 2024 one of the leases expired and was renewed under a new lease. Under the new lease a bridge lease term commenced on November 7, 2023 and will expire on October 31, 2025 when the term of the new lease commences for five years. There are no variable components to any of the leases. At June 30, 2023 the unamortized deferred inflows was \$380,816. The leases receivable are measured as the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 3% for previous leases, and 5% for the newer leases which are the City's incremental borrowing rate.

For the year ended June 30, 2024 the City recognized \$108,994 of lease revenue and \$20,916 of interest revenue under all leases.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

III. DETAIL NOTES ON ALL FUNDS (Continued)

A. ASSETS. (Continued)

5. Capital Assets

Primary Government:

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 5,521,540	\$ 136,905	\$ -	\$ 5,658,445
Construction in Progress	28,071,791	7,816,880	33,793,301	2,095,370
Total Capital Assets Not Being Depreciated	33,593,331	7,953,785	33,793,301	7,753,815
Capital Assets Being Depreciated:				
Land Improvements	13,211,434	23,408,542	159,640	36,460,336
Buildings	17,170,242	7,570,652	31,428	24,709,466
Street Construction	17,375,419	308,000	-	17,683,419
Computer Equipment	545,200	402,702	24,764	923,138
Equipment	7,787,434	2,070,884	38,746	9,819,572
Vehicles	15,400,819	1,423,137	175,634	16,648,322
Total Capital Assets Being Depreciated	71,490,548	35,183,917	430,212	106,244,253
Less Accumulated Depreciation For:				
Land Improvements	10,675,160	1,237,344	159,637	11,752,867
Buildings	9,660,310	497,318	31,428	10,126,200
Street Construction	13,878,984	191,994	-	14,070,978
Computer Equipment	313,616	104,809	24,765	393,660
Equipment	4,844,155	575,496	17,208	5,402,443
Vehicles	11,013,514	937,089	175,634	11,774,969
Total Accumulated Depreciation	50,385,739	\$ 3,544,050	\$ 408,672	53,521,117
Total Capital Assets Being Depreciated, Net	21,104,809			52,723,136
Governmental Activity Capital Assets, Net	\$ 54,698,140			\$ 60,476,951

Depreciation expense was charged to functions/programs as follows:

General Government	97,296
Public Safety	568,925
Transportation	816,786
Environmental	269,711
Cultural and Recreational	1,791,332
Economic Development	-
	<u>\$ 3,544,050</u>

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. ASSETS. (Concluded)**

**5. Capital Assets (Concluded)**

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,242,682	\$ -	\$ -	\$ 3,242,682
Construction in Progress	-	839,287	-	839,287
Total Capital Assets Not Being Depreciated	<u>3,242,682</u>	<u>839,287</u>	<u>-</u>	<u>4,081,969</u>
Capital Assets Being Depreciated:				
Land Improvements	78,560	-	78,560	-
Buildings	31,311,731	50,407	-	31,362,138
Plant and Distribution Systems	48,783,942	-	-	48,783,942
Computer Equipment	152,290	-	-	152,290
Equipment	8,731,539	667,559	32,426	9,366,672
Vehicles	2,931,098	418,748	-	3,349,846
Total Capital Assets Being Depreciated	<u>91,989,160</u>	<u>1,136,714</u>	<u>110,986</u>	<u>93,014,888</u>
Less Accumulated Depreciation For:				
Land Improvements	76,890	3,927	74,629	6,188
Buildings	20,946,308	437,648	-	21,383,956
Plant and Distribution Systems	28,237,105	1,182,021	-	29,419,126
Computer Equipment	149,269	2,452	-	151,721
Equipment	6,436,647	438,924	27,405	6,848,166
Vehicles	2,739,465	88,307	-	2,827,772
Total Accumulated Depreciation	<u>58,585,684</u>	<u>\$ 2,153,279</u>	<u>\$ 102,034</u>	<u>60,636,929</u>
Total Capital Assets Being Depreciated, Net	<u>33,403,476</u>			<u>32,377,959</u>
Business-type Activities Capital Assets, Net	<u>\$ 36,646,158</u>			<u>\$ 36,459,928</u>

**Construction Commitments:**

The government has active construction contracts as of June 30, 2024. At year end the government's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Wolfspeed Grant Water and Sewer Project	\$ 749,811	\$ 4,284,790
Airport Improvements Project Fund II	1,218,440	51,448
McCrary Ballpark Improvements Capital Project	4,303,309	11,861
	<u>\$ 6,271,560</u>	<u>\$ 4,348,099</u>

Activity for the ABC Board for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Being Depreciated:				
Leasehold Improvements	\$ 620	\$ -	\$ -	\$ 620
Furniture and Equipment	188,870	1,213	1,504	188,579
Vehicles	39,000	-	-	39,000
Total Capital Assets Being Depreciated	<u>228,490</u>	<u>1,213</u>	<u>1,504</u>	<u>228,199</u>
Less Accumulated Depreciation For:				
Leasehold Improvements	620	-	-	620
Furniture and Equipment	167,401	10,450	1,504	176,347
Vehicles	8,450	7,800	-	16,250
Total Accumulated Depreciation	<u>176,471</u>	<u>18,250</u>	<u>1,504</u>	<u>193,217</u>
ABC Capital Assets, Net	<u>\$ 52,019</u>			<u>\$ 34,982</u>

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES.**

**1. Payables**

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

	Vendors	Salaries and Benefits	Other	Total
Governmental Activities:				
General	\$ 926,393	\$ --	\$ --	\$ 926,393
Other Governmental	851,317	--	--	851,317
Total Governmental Activities	\$ 1,777,710	\$ --	\$ --	\$ 1,777,710
Business-type Activities:				
Water and Sewer	\$ 812,049	\$ --	\$ --	\$ 812,049

**2. Pension Plan and Postemployment Obligations**

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

*Plan Description.* The City of Asheboro 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 government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of thirteen members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### III. DETAIL NOTES ON ALL FUNDS (Continued)

##### B. LIABILITIES.

##### 2. Pension Plan and Postemployment Obligations (Continued)

##### a. Local Governmental Employees' Retirement System (Continued).

*Benefits Provided (Concluded).* are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan. LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Asheboro 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 Asheboro's contractually required contribution rate for the year ended June 30, 2024 was 13.90% of compensation for law enforcement officers and 12.85% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. The City of Asheboro's contributions to the pension plan for the year ended June 30, 2024 was \$2,929,955.

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

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

At June 30, 2024, the City reported a liability of \$15,514,445 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected



**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES.**

**2. Pension Plan and Postemployment Obligations (Continued)**

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

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

future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 and June 30, 2022 (measurement dates), the City's proportion was .234% and .238%, respectively.

For the year ended June 30, 2024, the City recognized pension expense of \$4,446,987. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,728,769	\$ 37,217
Changes of assumptions	659,275	- 0 -
Net difference between expected and actual earnings on pension plan investments	4,152,346	- 0 -
Changes in proportion and differences between City contributions and proportionate share of contributions	1,292	69,334
City contributions subsequent to measurement date	2,929,955	- 0 -
Total	<u>\$ 9,471,637</u>	<u>\$ 106,551</u>

The \$2,929,955 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 ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2025	\$ 2,336,552
2026	1,160,242
2027	2,762,753
2028	175,584
2029	- -
Thereafter	- -
	<u>\$ 6,435,131</u>

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### III. DETAIL NOTES ON ALL FUNDS (Continued)

##### B. LIABILITIES.

##### 2. Pension Plan and Postemployment Obligations (Continued)

##### a. Local Governmental Employees' Retirement System (Continued).

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

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

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the forgoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES.**

**2. Pension Plan and Postemployment Obligations (Continued)**

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

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

*Actuarial Assumptions (Concluded).*

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Protection	6.0%	4.3%
Total	100%	

The information above is based on 30 year expectations developed with an investment consulting firm's 2024 long-term capital market assumptions. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized figures. Source data provided in the 2023 Annual Comprehensive Financial Report published on the website of the NC Office of State Controller.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.5%. 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.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES.**

**2. Pension Plan and Postemployment Obligations (Continued)**

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

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

*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 6.5%, 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 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
City's proportionate share of net pension liability (asset)	\$ 26,878,173	\$ 15,514,445	\$ 6,158,766

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

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

*(1) Plan Description*

The City of Asheboro 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 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 General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	25
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	72
Total	<u>97</u>

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### III. DETAIL NOTES ON ALL FUNDS (Continued)

##### B. LIABILITIES.

##### 2. Pension Plan and Postemployment Obligations (Continued)

##### b. Law Enforcement Officers Special Separation Allowance (Continued).

##### *(2) Summary of Significant Accounting Policies*

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

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

##### *(3) Actuarial Assumptions*

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

Inflation	4.00 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.5 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 year High Grade Rate Index as of December 31, 2022.

Mortality rates are based on the Pub 2010 amount-weighted tables.

##### *(4) Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings. The City paid \$392,478 as benefits came due for the reporting period.

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

At June 30, 2024, the City reported a total pension liability of \$4,203,197. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**2. Pension Plan and Postemployment Obligations (Continued)**

**b. Law Enforcement Officers Special Separation Allowance. (Continued)**

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

December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the City recognized pension expense of \$468,401.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 233,805	\$ 128,093
Changes of assumptions and other inputs	280,110	424,254
Benefit payments and administrative expenses subsequent to measurement date	220,874	- 0 -
Total	<u>\$ 734,789</u>	<u>\$ 552,347</u>

The \$220,874 reported as deferred outflows of resources related to pensions resulting from the benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2025	\$ 132,668
2026	( 116,907)
2027	( 99,642)
2028	45,449
2029	- -
Thereafter	- -
	<u>(\$ 38,432)</u>

\$220,205 paid as benefits came due and \$669 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**2. Pension Plan and Postemployment Obligations (Continued)**

**b. Law Enforcement Officers Special Separation Allowance. (Concluded)**

*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the City's total pension liability calculated using the discount rate of 4.0%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.0%) or 1 percentage point higher (5.0%) than the current rate:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
Total Pension Liability	\$ 4,518,917	\$ 4,203,197	\$ 3,917,775

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

Beginning Balance	\$3,991,591
Service Costs	134,683
Interest on Pension Liability	163,580
Changes of Benefit Terms	- 0 -
Differences Between Expected and Actual Experience in the Measurement of Total Pension Liability	219,924
Changes of Assumptions and Other Inputs	85,897
Benefit Payments	( 392,478)
Other Changes	- 0 -
Ending Balance Total Pension Liability	<u>\$4,203,197</u>

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

# CITY OF ASHEBORO, NORTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### III. DETAIL NOTES ON ALL FUNDS (Continued)

#### B. LIABILITIES. (Continued)

#### 2. Pension Plan and Postemployment Obligations (Continued)

#### c. Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources related to Pensions

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 4,446,987	\$ 468,401	\$ 4,915,388
Pension Liability	\$15,514,445	\$ 4,203,197	\$19,717,642
Proportionate Share of Net Pension Liability	.234%	N/A	

#### Deferred Outflows of Resources:

Differences Between Expected & Actual			
Experience	\$ 1,728,769	\$ 233,805	\$ 1,962,574
Changes of Assumptions	\$ 659,275	\$ 280,110	\$ 939,385
Net Difference Between Projected & Actual			
Earnings on Plan Investments	\$ 4,152,346	\$ - 0 -	\$ 4,152,346
Changes in Proportion & Differences Between			
Contributions & Proportionate Share of Contributions	\$ 1,292	\$ - 0 -	\$ 1,292
Benefit Payments & Administrative Costs Paid			
Subsequent to the Measurement Date	\$ 2,979,955	\$ 220,874	\$ 3,200,829

#### Deferred Inflows of Resources:

Differences Between Expected & Actual			
Experience	\$ 37,217	\$ 128,093	\$ 165,310
Changes of Assumptions	\$ - 0 -	\$ 424,254	\$ 424,254
Net Difference Between Projected & Actual			
Earnings on Plan Investments	\$ - 0 -	\$ - 0 -	\$ - 0 -
Changes in Proportion & Differences Between			
Contributions & Proportionate Share of Contributions	\$ 69,334	\$ - 0 -	\$ 69,334

#### d. Supplemental Retirement Income Plan.

*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 general employees and 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 is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan. That 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.



## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### III. DETAIL NOTES ON ALL FUNDS (Continued)

##### B. LIABILITIES. (Continued)

##### 2. Pension Plan and Postemployment Obligations (Continued)

##### d. Supplemental Retirement Income Plan (Concluded).

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers and general employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024, were \$679,754, which consisted of \$256,708 from the City, \$133,034 from the law enforcement officers, and \$290,012 from the general employees.

##### e. Other Post-Employment Benefits.

##### Healthcare Benefits

Under the provisions of the City's personnel policy, the City administers a single-employer defined benefit Healthcare Benefits Plan (HCB Plan). Retiring full time employees are provided with coverage at the City's expense until age 65 under the group health and hospitalization insurance plan under the following conditions:

- (1) An employee who is retired under the North Carolina Local Governmental Retirement System and has 20 years of service with the City.
- (2) An employee with 30 years of service under the North Carolina Local Governmental Retirement System and 15 years of continuous service with the City.
- (3) An employee who has retired due to disability under the North Carolina Local Governmental Retirement System and receiving benefits.

Any retirees not qualifying for health insurance coverage paid for by the City may elect to continue this coverage for themselves and their dependents at their expense, until the retiree reaches age 65, or becomes eligible for Medicare, whichever comes first. Healthcare, prescription drug, dental, vision coverage, and life insurance are provided in the City's group health and hospitalization insurance 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.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**2. Pension Plan and Postemployment Obligations (Continued)**

**e. Other Post-Employment Benefits. (Continued)**

**Healthcare Benefits (Continued)**

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

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	67	--
Terminated plan members entitled to but not yet receiving benefits	--	--
Active plan members	<u>334</u>	<u>77</u>
Total	<u>401</u>	<u>77</u>

*Funding Policy.* The City pays the full cost of coverage for the healthcare benefits paid to qualified retirees under the City's personnel policy. The City has chosen to fund the healthcare benefits on a pay as you go basis.

*Total OPEB Liability.*

The City's total OPEB liability of \$29,342,635 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

*Actuarial Assumptions and Other Inputs*

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.25 to 8.41 percent, including wage inflation
Discount rate	3.65 percent
Healthcare cost trend rates	Pre-medicare 7.0% for 2022 decreasing to an ultimate rate of 4.5% by 2032
	Dental – 3.50%
	Vision – 2.00%

The discount rate is based on the Municipal Bond Index Rate equal to the Bond Buyer 20 year General Obligation Bond Index published at the last Thursday of June by the Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**2. Pension Plan and Postemployment Obligations (Continued)**

**e. Other Post-Employment Benefits. (Continued)**

**Healthcare Benefits (Continued)**

*Changes in the Total OPEB Liability.*

<b>Schedule of Changes in Total OPEB Liability</b>	
Beginning Balance	\$ 28,601,232
Service Costs	1,178,033
Interest on OPEB Liability	1,043,643
Changes of Benefit Terms	- 0 -
Differences Between Expected and Actual Experience	( 580,669)
Changes of Assumptions and Other Inputs	( 298,775)
Benefit Payments	( 600,829)
Other Changes	- 0 -
Ending Balance Total OPEB Liability	<u>\$ 29,342,635</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.65%.

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 2015 through December 2019.

*Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate.* The following presents the City's total OPEB liability calculated using the discount rate of 3.65%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 32,201,326	\$ 29,342,635	\$ 26,792,450

*Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the City's total OPEB liability calculated using the current healthcare cost trend rate, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 26,042,946	\$ 29,342,635	\$ 33,247,297

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**2. Pension Plan and Postemployment Obligations (Concluded)**

**e. Other Post-Employment Benefits. (Concluded)**

**Healthcare Benefits (Concluded)**

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$3,164,660. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 5,054,305	\$ 496,269
Changes of assumptions	2,282,918	2,165,948
Benefit payments and administrative costs subsequent to measurement date	1,861,203	- 0 -
Total	<u>\$ 9,198,426</u>	<u>\$ 2,662,217</u>

The \$1,861,203 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative costs incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	
2025	\$ 1,573,612
2026	1,424,642
2027	1,118,159
2028	702,877
2029	( 31,802)
Thereafter	( 112,482)
	<u>\$ 4,675,006</u>

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**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. 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. For the fiscal year ended June 30, 2024, the City made contributions to the State for death benefits of \$15,870. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.05% and 0.14% of covered payroll, respectively.

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

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

Contributions to pension plan in the current fiscal year	\$ 2,929,955
Benefit payments made and administrative expenses for LEOSSA	220,874
Benefit payments made and administrative expenses for OPEB	1,861,203
Differences between expected and actual experience	7,016,879
Changes in assumptions	3,222,302
Net differences between projected and actual earnings on pension plan investments	4,152,346
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,292
Total	<u>\$ 19,404,851</u>

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**4. Deferred Outflows / Inflows of Resources (Concluded)**

Deferred inflows of resources at June 30, 2024 is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Prepaid Taxes (General)	\$ 10,595	\$ 10,595
Taxes Receivable, Net (General)	--	240,477
Garbage Collections Receivable (General)	--	245,566
Note Receivable (General)	--	613,006
Notes Receivable (Special Revenue)	--	13,913
Leases Receivable (Water and Sewer)	428,220	--
Difference between expected and actual experience	661,579	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,334	--
Changes in assumptions	2,590,202	--

**5. 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 participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage up to the total insurance values of the property policy, and workers' compensation coverage up to the statutory limits. The pools are reinsured through commercial companies for claims in excess of retentions as selected by the Board of Trustees each year. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the N.C. League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the City upon request.

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

The City does not carry flood insurance because the area has not been designated an "A" area by the Federal Emergency Management Agency.

In accordance with 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 officer is individually bonded for \$1,000,000. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### III. DETAIL NOTES ON ALL FUNDS (Continued)

##### B. LIABILITIES. (Continued)

###### 6. Claims, Judgments, and Contingent Liabilities

At June 30, 2024, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

###### 7. Long-Term Obligations

###### a. Installment Purchases.

In June 2020, the City entered into a direct placement installment purchase contract with Trust Bank to finance vehicles for the public works and police departments. The vehicles are pledged as collateral for the debt while the debt is outstanding. The contract is for \$921,938, to be repaid monthly at \$16,423, including interest at 1.99% over five years.

In June 2021, the City entered into a direct placement installment purchase contract with Truist Bank to finance vehicles and equipment for various departments. The vehicles and equipment are pledged as collateral for the debt while the debt is outstanding. The contract is for \$903,400, to be repaid monthly at \$15,490, including interest at 1.11% over five years.

In June 2022, the City entered into a direct placement installment purchase contract with Truist Bank to finance vehicles and equipment for various departments. The vehicles and equipment are pledged as collateral for the debt while the debt is outstanding. The contract is for \$2,070,000, to be repaid monthly at \$37,690, including interest at 2.89% over five years.

In June 2023, the City entered into a direct placement installment purchase contract with Truist Bank to finance vehicles for various departments. The vehicles are pledged as collateral for the debt while the debt is outstanding. The contract is for \$386,529, to be repaid monthly at \$7,208, including interest at 3.87% over five years.

In August 2023, the City entered into a direct placement installment purchase contract with Truist Bank to finance radios for the police department. The radios are pledged as collateral for the debt while the debt is outstanding. The contract is for \$803,923, to be repaid monthly at \$15,595, including interest at 5.46% over fifty-nine months.

In June 2024, the City entered into a direct placement installment purchase contract with Pinnacle Bank to finance vehicles for various departments. The vehicles are pledged as collateral for the debt while the debt is outstanding. The contract is for \$1,190,667, to be repaid monthly at \$22,579, including interest at 4.59% over fifty-nine months.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**7. Long-Term Obligations (Continued)**

**a. Installment Purchases (Concluded).**

The future minimum payments of the installment purchase contracts as of June 30, 2024, are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,082,900	\$ 97,029	\$ 149,727	\$ 33,787
2026	933,184	66,031	156,639	26,875
2027	739,095	36,579	163,981	19,532
2028	339,650	14,218	171,669	11,845
2029	106,807	2,020	164,466	3,798
Totals	\$ 3,201,636	\$ 215,877	\$ 806,482	\$ 95,837

**b. Notes Payable.**

The notes payable shown in the Water and Sewer Fund consist of the balances due on four loans: The first is a \$2,542,173 direct borrowing revolving loan from the State Clean Water Revolving Loan Program for improvements to the City's wastewater collection system. This agreement requires payments over twenty years at a rate of 2.66%. Proceeds received from this loan amounted to \$2,462,986. The promissory note requires annual payments of \$127,109, plus interest. The second is a \$5,331,881 direct borrowing revolving loan from the State Clean Water Revolving Loan Program for improvements to the City's water distribution system. This agreement requires payments over twenty years at a rate of 2.66%. Proceeds received from this loan amounted to \$4,987,267. The promissory note requires annual payments of \$249,363, plus interest. The third is a \$475,857 direct borrowing loan from the State of North Carolina for the purchase of radio read water meters. The promissory note requires annual payments over twelve years of \$39,655 at a rate not to exceed 4%. The fourth is a \$1,143,936 direct borrowing loan from the State of North Carolina for a drinking water filtration system. The promissory note requires annual payments over twenty years of \$57,197 at a 0% rate.



**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Continued)**

**7. Long-Term Obligations (Continued)**

**b. Notes Payable (Concluded).**

Annual debt service requirements to maturity for the notes payable are as follows:

Year Ending June 30	Business-type Activities		Governmental-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 469,364	\$ 35,956	\$ - -	\$ - -
2026	346,215	26,532	- -	- -
2027	306,560	19,899	- -	- -
2028	306,560	13,266	- -	- -
2029	306,560	6,633	- -	- -
2030 – 2034	285,984	- -	- -	- -
2035 – 2039	114,394	- -	- -	- -
Totals	\$ 2,135,637	\$ 102,286	\$ - -	\$ - -

At June 30, 2024 the City's legal debt margin is \$ 274,394,219.

**d. Changes in Long-Term Liabilities.**

Governmental Activities:	Balance	Increases	Decreases	Balance	Current
	July 1, 2023			June 30, 2024	Portion of
Direct Placement:					Balance
Installment Purchases	\$ 3,085,140	\$ 1,188,108	\$ 1,071,612	\$ 3,201,636	\$1,082,900
Compensated Absences	2,214,895	1,309,893	1,316,771	2,208,017	1,316,771
Total OPEB Liability	21,933,730	559,214	- -	22,492,944	1,439,573
Net Pension Liability (LGERS)	10,247,266	1,599,743	- -	11,847,009	- -
Total Pension Liability (LEO)	3,991,591	211,606	- -	4,203,197	- -
Governmental Activity Long-term Liabilities	\$ 41,472,622	\$ 4,868,564	\$ 2,388,383	\$ 43,952,803	\$3,839,244

The liability for pension related debt and compensated absences are fully liquidated by the General Fund.

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. LIABILITIES. (Concluded)**

**7. Long-Term Obligations (Concluded)**

**d. Changes in Long-Term Liabilities (Concluded).**

	Balance			Balance	Current
Business-type Activities:	July 1, 2023	Increases	Decreases	June 30, 2024	Portion of
Direct Placement:					Balance
Installment Purchases	\$ --	\$ 806,482	\$ --	\$ 806,482	\$ 149,727
Direct Borrowing:					
Notes Payable	2,605,001	--	469,364	2,135,637	469,364
Compensated Absences	424,698	241,713	274,666	391,745	274,666
Net Pension Liability					
(LGRS)	3,205,278	462,158	--	3,667,436	--
Total OPEB Liability	6,667,502	182,190	--	6,849,692	421,630
Business-type Activity					
Long-term Liabilities	\$ 12,902,479	\$ 1,692,543	\$ 744,030	\$ 13,850,992	\$ 1,315,387

**C. INTERFUND BALANCES AND ACTIVITY.**

**1. Transfers To / From Other Funds**

Transfers to / from other funds at June 30, 2024, consists of the following:

From the General Fund to the David and Pauline Jarrell Center City Garden Project Fund for phase one construction costs.	\$ 240,000
From the General Fund to the Airport Improvements Capital Project Fund II per the terms of a matching grant and commitments of the City council.	130,817
From the General Fund to the McCrary Ballpark Improvements Project Fund to satisfy commitments of the City council for recreation upgrades.	589,033
From the Water and Sewer Fund to the Zoo City Park Sportsplex Capital Project Fund to satisfy the commitments of the City council for recreation complex.	31,750
From the Economic Tourism Development Fund to the General Fund to close out the Special Revenue Fund.	336,820
From the McCrary Ballpark Improvements Project Fund to the General Fund to transfer excess funds due to receipt of restricted donations.	845,077
From the State Capital Infrastructure Fund to the Zoo City Park Sportsplex Project Fund to fund qualified expenditures.	619,644
	<u>\$ 2,793,141</u>

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**III. DETAIL NOTES ON ALL FUNDS (Concluded)**

**D. FUND BALANCE.**

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

Total Fund Balance – General Fund	\$21,277,099
Less:	
Inventories	477,640
Prepaid Charge – Future Revenues	292,218
Stabilization by State Statute	4,341,311
Streets	29,814
Unspent Debt Proceeds	384,742
Appropriated Fund Balance in 2025 Budget	52,000
Remaining Fund balance	<u>\$15,699,374</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Encumbrances	
General Fund	Non-major Funds
<u>\$ 170,911</u>	<u>\$ 141,166</u>

**IV. JOINT VENTURE**

The City and the members of the City's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums which insurers remit to the State. The State passes these monies to the local board of the Firemen's Relief Fund. The funds are used to assist fire fighters in various ways. The City obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the City's fire department by the board of trustees. During the fiscal year ended June 30, 2024, the City reported no payments through the Firemen's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no entity has been reflected in the financial statements at June 30, 2024. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at Post Office Box 188, Farmville, NC 27828.

## CITY OF ASHEBORO, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

#### V. JOINTLY GOVERNED ORGANIZATION

The City, in conjunction with twelve counties and sixty three other municipalities, are members of the Piedmont Triad Regional Council of Governments (Council). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$5,769 to the Council during the fiscal year ended June 30, 2024.

#### VI. RELATED ORGANIZATION

The five-member board of the City of Asheboro Housing Authority is appointed by the Asheboro City Council. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City of Asheboro is also disclosed as a related organization in the notes to the financial statements for the City of Asheboro Housing Authority.

#### VII. 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**CITY OF ASHEBORO  
NORTH CAROLINA**

Required Supplemental Financial Data

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

- Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance.
- Schedule of Total Pension Liability as a Percentage of Covered Payroll Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in Total OPEB Liability
- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System.
- Schedule of Contributions to Local Government Employees' Retirement System.

**CITY OF ASHEBORO, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**

Last Eight Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 3,991,591	\$ 4,876,418	\$ 5,087,023	\$ 3,894,538	\$ 3,806,397	\$ 3,741,358	\$ 3,593,947	\$ 3,729,984
Service Costs	134,683	191,671	209,048	131,016	109,059	115,753	99,477	101,001
Interest on Total Pension Liability	163,580	105,574	94,636	120,935	132,125	112,899	132,170	127,902
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience in the								
Measurement of Total Pension Liability	219,924	(189,835)	(32,380)	284,324	102,563	296,961	74,707	-
Changes of Assumptions or Other Inputs	85,897	(623,767)	(114,673)	1,025,963	97,563	(123,375)	180,790	(70,377)
Benefit Payments	(392,478)	(368,470)	(367,236)	(369,753)	(353,169)	(337,199)	(339,733)	(294,563)
Other Changes	-	-	-	-	-	-	-	-
Ending Balance Total Pension Liability	<u>\$ 4,203,197</u>	<u>\$ 3,991,591</u>	<u>\$ 4,876,418</u>	<u>\$ 5,087,023</u>	<u>\$ 3,894,538</u>	<u>\$ 3,806,397</u>	<u>\$ 3,741,358</u>	<u>\$ 3,593,947</u>

Notes to the schedule:

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

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

This schedule is intended to show information for ten years. Additional years' information will be displayed when it becomes available.

**CITY OF ASHEBORO, NORTH CAROLINA**

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL**

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**

Last Eight Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 4,203,197	\$ 3,991,591	\$ 4,876,418	\$ 5,087,023	\$ 3,894,538	\$ 3,806,397	\$ 3,741,358	\$ 3,593,947
Covered-employee Payroll	\$ 4,483,558	\$ 4,264,370	\$ 4,325,234	\$ 4,088,728	\$ 3,834,217	\$ 3,752,969	\$ 3,646,949	\$ 3,576,040
Total Pension Liability as a Percentage of Covered-employee Payroll	93.75%	93.60%	112.74%	124.42%	101.57%	101.42%	102.59%	100.50%

Notes to the schedule:

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

This schedule is intended to show information for ten years. Additional years' information will be displayed when it becomes available.

**CITY OF ASHEBORO, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**

Last Seven Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Beginning Balance	\$ 28,601,230	\$ 27,334,395	\$ 25,360,775	\$ 18,348,451	\$ 17,020,671	\$ 14,225,691	\$ 14,347,711
Service Costs	1,178,033	1,264,593	1,299,937	742,828	686,612	619,457	667,438
Interest on Total OPEB Liability	1,043,643	603,513	576,565	652,160	629,553	484,181	424,086
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(580,669)	3,321,918	223,663	3,581,340	1,057,320	2,578,601	76,061
Changes of Assumptions or Other Inputs	(298,775)	(2,598,955)	1,023,378	2,960,160	643,990	373,996	(768,772)
Benefit Payments	(600,829)	(1,324,234)	(1,149,923)	(924,164)	(1,689,695)	(1,261,255)	(520,833)
Other Changes	-	-	-	-	-	-	-
Ending Balance Total OPEB Liability	<u>\$ 29,342,633</u>	<u>\$ 28,601,230</u>	<u>\$ 27,334,395</u>	<u>\$ 25,360,775</u>	<u>\$ 18,348,451</u>	<u>\$ 17,020,671</u>	<u>\$ 14,225,691</u>
Covered-employee Payroll	\$ 17,968,207	\$ 17,968,207	\$ 16,024,259	\$ 16,024,259	\$ 14,027,936	\$ 14,027,936	\$ 14,511,142
Total OPEB Liability as a Percentage of Covered-employee Payroll	163.30%	159.18%	170.58%	158.26%	130.80%	121.33%	98.03%

Notes to the 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:

<u>Fiscal Year</u>	<u>Rate</u>
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

This schedule is intended to show information for ten years. Additional years' information will be displayed when it becomes available.

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



**CITY OF ASHEBORO**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY (ASSET)**  
 Local Government Employees' Retirement System  
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.234%	0.238%	0.241%	0.242%	0.232%	0.236%	0.248%	0.258%	0.276%	0.280%
City's proportionate share of the net pension liability (asset)	\$ 15,514,445	\$ 13,452,544	\$ 3,694,739	\$ 8,661,984	\$ 6,340,655	\$ 5,603,709	\$ 3,783,867	\$ 5,465,224	\$ 1,237,864	\$ (1,646,807)
City's covered payroll	\$ 20,439,579	\$ 18,321,622	\$ 17,547,047	\$ 16,883,270	\$ 15,941,762	\$ 14,795,708	\$ 15,004,952	\$ 14,598,118	\$ 14,770,443	\$ 14,660,663
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.90%	73.42%	21.06%	51.31%	39.77%	37.87%	25.22%	37.44%	8.38%	(11.23%)
Plan fiduciary net position as a percentage of the total pension liability	82.49%	84.14%	95.51%	88.61%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

**CITY OF ASHEBORO**

**SCHEDULE OF THE CITY'S CONTRIBUTIONS**  
Local Government Employees' Retirement System  
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,929,955	\$ 2,511,325	\$ 2,102,852	\$ 1,803,812	\$ 1,536,146	\$ 1,259,235	\$ 1,131,925	\$ 1,109,939	\$ 985,481	\$ 1,056,238
Contributions in relation to the contractually required contribution	<u>2,929,955</u>	<u>2,511,325</u>	<u>2,102,852</u>	<u>1,803,812</u>	<u>1,536,146</u>	<u>1,259,235</u>	<u>1,131,925</u>	<u>1,109,939</u>	<u>985,481</u>	<u>1,056,238</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 22,379,959	\$ 20,439,579	\$ 18,321,622	\$ 17,547,047	\$ 16,883,270	\$ 15,941,762	\$ 14,795,708	\$ 15,004,942	\$ 14,598,118	\$ 14,770,443
Contributions as a percentage of covered payroll	13.09%	12.29%	11.48%	10.28%	9.10%	7.90%	7.65%	7.40%	6.75%	7.15%

**CITY OF ASHEBORO  
NORTH CAROLINA**

General Fund

The General Fund accounts for all non-enterprise governmental services for which an annual budget is adopted. By definition, the General Fund accounts for all resources and activities except those which are more appropriately recorded in another fund. Functions provided by the City which are accounted for by the General Fund include general government activities, public safety, transportation, environmental protection, grounds maintenance, cultural and recreational activities, and economic and physical development.

**CITY OF ASHEBORO, NORTH CAROLINA**  
**GENERAL FUND**

Schedule 1  
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**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2024

	2024		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Ad Valorem Taxes:			
Current Year	\$ 23,986,087	\$ 24,873,983	\$ 887,896
Prior Years	-	50,138	50,138
Penalties and Interest	27,314	43,208	15,894
Total	24,013,401	24,967,329	953,928
Other Taxes and Licenses:			
Gross Receipts Tax on Short-Term Rental Property	35,234	62,546	27,312
Animal Taxes	595	815	220
ABC License	1,009	1,764	755
Total	36,838	65,125	28,287
Intergovernmental Revenues:			
Unrestricted:			
Local Option Sales Tax	8,809,070	8,378,751	(430,319)
Utilities Franchise Tax	2,496,797	2,665,862	169,065
Hold Harmless	2,815,024	2,274,115	(540,909)
Court Fees	8,165	8,195	30
Beer and Wine Tax	111,182	133,588	22,406
ABC Profit Distribution	540,000	760,000	220,000
Payment in Lieu of Taxes	37,737	52,260	14,523
Total	14,817,975	14,272,771	(545,204)
Restricted:			
State Street Aid Allocation	761,019	835,970	74,951
Solid Waste Disposal	15,060	21,396	6,336
N.C. Department of Commerce	100,000	100,000	-
Vice and Narcotics Allocation	214	-	(214)
U.S. Justice Allocation	137,225	135,874	(1,351)
King Irrevocable Trust	-	399,163	399,163
Other	117,910	107,956	(9,954)
ABC Revenue for Law Enforcement	32,413	53,311	20,898
Total	1,163,841	1,653,670	489,829
Permits and Fees:			
Building Permits and Inspection Fees	231,252	602,392	371,140
Rezoning and Cemetery Fees	23,190	31,467	8,277
Total	254,442	633,859	379,417
Sales and Services:			
Rents and Concessions	63,114	74,577	11,463
Cemeteries	4,960	17,227	12,267
Recreation Service Revenues	414,471	603,200	188,729
Refuse Collection	2,773,820	2,900,521	126,701
Contracted Maintenance - NCDOT	21,602	30,032	8,430
Airport Revenue	46,354	71,415	25,061
Total	\$ 3,324,321	\$ 3,696,972	\$ 372,651

**CITY OF ASHEBORO, NORTH CAROLINA**  
**GENERAL FUND**

Schedule 1  
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**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2024

	2024		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues (Concluded):</b>			
Investment Earnings	\$ 234,861	\$ 596,196	\$ 361,335
Miscellaneous:			
Sales of Material and Services	24,000	7,506	(16,494)
Reimbursements	274,722	275,867	1,145
Other	41,862	78,137	36,275
Total	340,584	361,510	20,926
<b>Total Revenues</b>	44,186,263	46,247,432	2,061,169
<b>Expenditures:</b>			
General Government:			
Governing Body:			
Salaries and Employee Benefits		134,919	
Other Operating Expenditures		19,537	
Total	160,690	154,456	6,234
Administration:			
Salaries and Employee Benefits		201,339	
Operating Expenditures		102,341	
Total	305,687	303,680	2,007
Information Technology:			
Salaries and Employee Benefits		477,395	
Operating Expenditures		234,094	
Total	764,905	711,489	53,416
Finance:			
Salaries and Employee Benefits		244,895	
Operating Expenditures		68,485	
Total	382,549	313,380	69,169
Public Buildings:			
Operating Expenditures		255,448	
Total	292,100	255,448	36,652
Tax Collections:			
Tax Collection Fees		360,321	
Total	361,000	360,321	679
Legal Services:			
Salaries and Employee Benefits		182,045	
Operating Expenditures		22,329	
Total	\$ 220,358	\$ 204,374	\$ 15,984

**CITY OF ASHEBORO, NORTH CAROLINA**  
**GENERAL FUND**

Schedule 1  
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**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2024

	2024		Variance
	Budget	Actual	Positive (Negative)
<b>Expenditures (Continued):</b>			
General Government (Concluded):			
Planning and Community Development:			
Salaries and Employee Benefits	\$	\$ 544,763	\$
Other Operating Expenditures		365,433	
Capital Outlay		6,304	
Total	1,070,837	916,500	154,337
City Shop:			
Salaries and Employee Benefits		1,089,078	
Operating Expenditures		685,339	
Capital Outlay		70,614	
Reimbursement - Proprietary Fund		(263,069)	
Total	2,247,493	1,581,962	665,531
Human Resources:			
Salaries and Employee Benefits		251,826	
Operating Expenditures		125,254	
Total	452,495	377,080	75,415
Economic Development and Community Support:			
Operating Expenditures		1,209,190	
Total	1,322,000	1,209,190	112,810
Total General Government	7,580,114	6,387,880	1,192,234
Public Safety:			
Police:			
Salaries and Employee Benefits		9,436,083	
Operating Expenditures		1,903,469	
Capital Outlay		1,131,238	
Total	12,472,496	12,470,790	1,706
Fire:			
Salaries and Employee Benefits		6,359,892	
Operating Expenditures		757,872	
Capital Outlay		450,939	
Total	7,967,283	7,568,703	398,580
Inspections:			
Salaries and Employee Benefits		299,838	
Operating Expenditures		16,324	
Total	332,491	316,162	16,329
Fire Inspections:			
Salaries and Employee Benefits		270,171	
Operating Expenditures		19,383	
Total	303,850	289,554	14,296
Total Public Safety	\$ 21,076,120	\$ 20,645,209	\$ 430,911

**CITY OF ASHEBORO, NORTH CAROLINA**  
**GENERAL FUND**

Schedule 1  
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**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2024

	2024		Variance
	Budget	Actual	Positive (Negative)
<b>Expenditures (Continued):</b>			
Transportation:			
Operations:			
Salaries and Employee Benefits	\$	\$ 726,055	\$
Operating Expenditures		309,777	
Total	1,163,221	1,035,832	127,389
Street and Highways:			
Salaries and Employee Benefits		1,577,225	
Operating Expenditures		1,259,910	
Capital Outlay		153,442	
Total	3,842,812	2,990,577	852,235
City Engineer Office:			
Salaries and Employee Benefits		362,980	
Operating Expenditures		61,729	
Capital Outlay		43,987	
Total	504,214	468,696	35,518
Airport Authority:			
Operating Expenditures		97,589	
Total	103,650	97,589	6,061
Total Transportation	5,613,897	4,592,694	1,021,203
Environmental Protection:			
Sanitation:			
Salaries and Employee Benefits		988,247	
Operating Expenditures		1,071,139	
Capital Outlay		375,985	
Total	2,682,060	2,435,371	246,689
Total Environmental Protection	2,682,060	2,435,371	246,689
Cultural and Recreational:			
Recreation:			
Salaries and Employee Benefits		1,330,641	
Operating Expenditures		668,156	
Total	2,594,806	1,998,797	596,009
ZooCity Sportsplex:			
Salaries and Employee Benefits		165,010	
Operating Expenditures		303,011	
Capital Outlay		34,800	
Total	\$ 915,310	\$ 502,821	\$ 412,489

**CITY OF ASHEBORO, NORTH CAROLINA**  
**GENERAL FUND**

Schedule 1  
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**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2024

	2024		Variance
	Budget	Actual	Positive (Negative)
<b>Expenditures (Concluded):</b>			
Cultural and Recreational (Concluded):			
Facility and Grounds Maintenance:			
Salaries and Employee Benefits	\$	\$ 1,674,466	\$
Operating Expenditures		434,192	
Capital Outlay		180,935	
Total	2,793,859	2,289,593	504,266
Golf Course:			
Salaries and Employee Benefits		147,574	
Operating Expenditures		117,669	
Total	298,967	265,243	33,724
Arts and Cultural Services:			
Salaries and Employee Benefits		189,743	
Operating Expenditures		306,032	
Total	710,631	495,775	214,856
Library:			
Operating Expenditures	160,170	159,723	447
Total Cultural and Recreational	7,473,743	5,711,952	1,761,791
Debt Service:			
Principal Retirement		1,071,611	
Interest and Fees		102,023	
Total Debt Service	1,239,068	1,173,634	65,434
<b>Total Expenditures</b>	<b>45,665,002</b>	<b>40,946,740</b>	<b>4,718,262</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,478,739)</b>	<b>5,300,692</b>	<b>6,779,431</b>
<b>Other Financing Sources (Uses):</b>			
Transfers From Other Funds:			
From Economic and Tourism Development Fund	336,820	336,820	-
From McCrory Ballpark Improvements Fund	-	845,077	845,077
Transfers to Other Funds:			
To Zoo City Park Sportsplex Fund	(3,000)	-	3,000
To David and Pauline Jarrell Garden Fund	(500,000)	(240,000)	260,000
To Airport Improvement Fund II	(130,817)	(130,817)	-
To McCrory Ballpark Improvements Fund	(679,033)	(589,033)	90,000
Sale of Capital Assets	803,000	878,316	75,316
Insurance Recovery	-	48,034	48,034
Installment Purchase Obligations Issued	1,651,769	1,188,108	(463,661)
<b>Total Other Financing Sources (Uses)</b>	<b>1,478,739</b>	<b>2,336,505</b>	<b>857,766</b>
<b>Appropriated Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>7,637,197</b>	<b>\$ 7,637,197</b>
<b>Fund Balance:</b>			
Beginning of Year, July 1		13,639,902	
End of Year, June 30		\$ 21,277,099	



**CITY OF ASHEBORO,  
NORTH CAROLINA**

Combining Statements for Nonmajor Funds

Special Revenue Funds:

*The Asheboro Housing Development Special Revenue Fund.* This fund accounts for grant funds and funds committed by the City Council restricted for rehabilitation of housing for individuals deemed to be in economic need of financing.

*The Economic Development Special Revenue Fund.* This fund accounts for resources to be used in the enhancement of the local business community and is funded from State grants and funds committed by the City Council.

*The CDBG Coronavirus (CDBG – CV) Special Revenue Fund.* This fund accounts for grant funds and funds committed by the City council to address community needs because of the pandemic.

Capital Project Funds:

*The Emergency Operations Center/Fire Station #3 Capital Project Fund.* This fund accounts for grant funds for the construction of an emergency operations center and a third fire station for the City of Asheboro emergency services.

*The David and Pauline Jarrell Center City Garden Project Fund.* This fund accounts for City commitments for the construction of a park.

*McCrary Ballpark Improvements Capital Project Fund.* This fund accounts for City commitments for the renovations of the McCrary Baseball Park.

*The Airport Improvements Capital Project Fund II.* This fund accounts for Federal Aviation Administration grant funding to construct a corporate hangar at the City airport.

*The Zoo City Park Sportsplex Capital Project Fund.* This fund accounts for City commitments to construct a multisport park complex for the citizens of the City.

**CITY OF ASHEBORO, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**

Schedule 2

**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2024

	Special Revenue Funds				Capital Project Funds								
	Asheboro Housing Development	Economic and Tourism Development Fund	CDBG Coronavirus (CDBG-CV) Fund	Total Nonmajor Special Revenue Funds	Emergency Operations Center/Fire Station #3 Capital Project Fund	David and Pauline Jarrell Center City Garden Capital Project Fund	McCrory Ballpark Improvements Capital Project Fund	Airport Improvements Capital Project Fund II	Zoo City Park Sportsplex Capital Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds		
<b>Assets:</b>													
Current Assets:													
Cash and Cash Equivalents	\$ 462,922	\$ -	\$ -	\$ 462,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 462,922		
Restricted Cash	-	-	20,350	20,350	-	267,278	554,742	149,842	973,218	1,945,080	1,965,430		
Accounts Receivable	13,913	-	-	13,913	-	-	-	-	-	-	13,913		
Note Receivable	297,648	-	-	297,648	-	-	-	-	-	-	297,648		
Due From Other Governments	-	-	-	-	-	-	162	154,330	57,885	212,377	212,377		
<b>Total Assets</b>	<u>\$ 774,483</u>	<u>\$ -</u>	<u>\$ 20,350</u>	<u>\$ 794,833</u>	<u>\$ -</u>	<u>\$ 267,278</u>	<u>\$ 554,904</u>	<u>\$ 304,172</u>	<u>\$ 1,031,103</u>	<u>\$ 2,157,457</u>	<u>\$ 2,952,290</u>		
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>													
Liabilities:													
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000		
Payable From Restricted Assets	-	-	-	-	-	-	375,562	12,062	568	388,192	388,192		
Retainage Payable	-	-	-	-	-	-	79,301	28,756	335,068	443,125	443,125		
Unearned Revenue	60,000	-	-	60,000	-	-	-	-	-	-	60,000		
<b>Total Liabilities</b>	<u>60,000</u>	<u>-</u>	<u>20,000</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>454,863</u>	<u>40,818</u>	<u>335,636</u>	<u>831,317</u>	<u>911,317</u>		
Deferred Inflows of Resources:													
Accounts Receivable	13,913	-	-	13,913	-	-	-	-	-	-	13,913		
Fund Balances:													
Restricted:													
Stabilization by State Statute	297,648	-	-	297,648	-	-	162	295,496	57,885	353,543	651,191		
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-	-		
Capital Projects	-	-	-	-	-	-	99,879	-	-	99,879	99,879		
Committed:													
Capital Projects	-	-	-	-	-	267,278	-	-	637,582	904,860	904,860		
Economic and Physical Development	402,922	-	350	403,272	-	-	-	-	-	-	403,272		
Unassigned	-	-	-	-	-	-	-	(32,142)	-	(32,142)	(32,142)		
<b>Total Fund Balances</b>	<u>700,570</u>	<u>-</u>	<u>350</u>	<u>700,920</u>	<u>-</u>	<u>267,278</u>	<u>100,041</u>	<u>263,354</u>	<u>695,467</u>	<u>1,326,140</u>	<u>2,027,060</u>		
<b>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</b>	<u>\$ 774,483</u>	<u>\$ -</u>	<u>\$ 20,350</u>	<u>\$ 794,833</u>	<u>\$ -</u>	<u>\$ 267,278</u>	<u>\$ 554,904</u>	<u>\$ 304,172</u>	<u>\$ 1,031,103</u>	<u>\$ 2,157,457</u>	<u>\$ 2,952,290</u>		

**CITY OF ASHEBORO, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**

Schedule 3

**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2024

	Special Revenue Funds				Capital Project Funds						
	Asheboro Housing Development	Economic and Tourism Development Fund	CDBG Coronavirus (CDBG-CV) Fund	Total Nonmajor Special Revenue Funds	Emergency Operations Center/Fire Station #3 Capital Project Fund	David and Pauline Jarrell Center City Garden Capital Project Fund	McCrary Ballpark Improvements Capital Project Fund	Airport Improvements Capital Project Fund II	Zoo City Park Sportsplex Capital Project Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:											
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,424	\$ 50,000	\$ 212,424	\$ 212,424
Restricted Other	-	-	-	-	-	-	1,166,666	-	-	1,166,666	1,166,666
Investment Earnings	6,617	-	-	6,617	-	-	-	-	-	-	6,617
Miscellaneous	300	-	-	300	-	-	-	-	240,102	240,102	240,402
Total Revenues	6,917	-	-	6,917	-	-	1,166,666	162,424	290,102	1,619,192	1,626,109
Expenditures:											
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	40,072	2,253,104	562,712	3,732,665	6,588,553	6,588,553
Total Expenditures	-	-	-	-	-	40,072	2,253,104	562,712	3,732,665	6,588,553	6,588,553
Revenues Over (Under) Expenditures	6,917	-	-	6,917	-	(40,072)	(1,086,438)	(400,288)	(3,442,563)	(4,969,361)	(4,962,444)
Other Financing Sources (Uses):											
Transfers From Other Funds:											
From General Fund	-	-	-	-	-	240,000	589,033	130,817	-	959,850	959,850
From Water and Sewer Fund	-	-	-	-	-	-	-	-	31,750	31,750	31,750
State Capital Infrastructure (SCIF) Fund	-	-	-	-	-	-	-	-	619,644	619,644	619,644
Transfers to Other Funds:											
To General Fund	-	(336,820)	-	(336,820)	-	-	(845,077)	-	-	(845,077)	(1,181,897)
Total Other Financing Sources (Uses)	-	(336,820)	-	(336,820)	-	240,000	(256,044)	130,817	651,394	766,167	429,347
Net Change in Fund Balances	6,917	(336,820)	-	(329,903)	-	199,928	(1,342,482)	(269,471)	(2,791,169)	(4,203,194)	(4,533,097)
Fund Balances:											
Beginning of Year, July 1	693,653	336,820	350	1,030,823	-	67,350	1,442,523	532,825	3,486,636	5,529,334	6,560,157
End of Year, June 30	\$ 700,570	\$ -	\$ 350	\$ 700,920	\$ -	\$ 267,278	\$ 100,041	\$ 263,354	\$ 695,467	\$ 1,326,140	\$ 2,027,060

**CITY OF ASHEBORO, NORTH CAROLINA**  
**SPECIAL REVENUE FUND - ASHEBORO HOUSING DEVELOPMENT FUND**

Schedule 4

**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental Revenues:					
HOME Program Grant	\$ 375,000	\$ 375,000	\$ -	\$ 375,000	\$ -
Urgent Repair Grant - N.C. Housing Finance	282,000	129,840	-	129,840	(152,160)
Investment Earnings	-	105,001	6,617	111,618	111,618
Miscellaneous:					
Program Income - Repayments	343,267	349,142	300	349,442	6,175
<b>Total Revenues</b>	<b>1,000,267</b>	<b>958,983</b>	<b>6,917</b>	<b>965,900</b>	<b>(34,367)</b>
<b>Expenditures:</b>					
Economic and Physical Development:					
Mill Lofts Rehabilitation	560,000	-	-	-	560,000
Downtown Improvements	2,500	2,500	-	2,500	-
Urgent Repair Grant:					
Professional Services	17,000	5,000	-	5,000	12,000
Construction	286,000	127,590	-	127,590	158,410
Original Programs:					
Down Payment Assistance	69,750	69,750	-	69,750	-
Owner Occupied Rehabilitation	186,000	186,000	-	186,000	-
Investor Owned Rehabilitation	93,000	93,000	-	93,000	-
Administration	27,248	27,245	-	27,245	3
Revolving Loans:					
Down Payment Assistance	11,152	11,152	-	11,152	-
Owner Occupied Rehabilitation	103,127	99,508	-	99,508	3,619
Investor Owned Rehabilitation	26,337	26,336	-	26,336	1
Down Payment/Closing Cost	7,608	7,608	-	7,608	-
Administration - Down Payment	2,621	2,620	-	2,620	1
Fiscal Agent Fees	10,924	10,021	-	10,021	903
<b>Total Expenditures</b>	<b>1,403,267</b>	<b>668,330</b>	<b>-</b>	<b>668,330</b>	<b>734,937</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(403,000)</b>	<b>290,653</b>	<b>6,917</b>	<b>297,570</b>	<b>700,570</b>
<b>Other Financing Sources (Uses):</b>					
Transfers From Other Funds:					
General Fund	431,000	431,000	-	431,000	-
Transfers to Other Funds:					
Downtown Farmer's Market Project Fund	(28,000)	(28,000)	-	(28,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>403,000</b>	<b>403,000</b>	<b>-</b>	<b>403,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 693,653</b>	<b>6,917</b>	<b>\$ 700,570</b>	<b>\$ 700,570</b>
<b>Fund Balance:</b>					
Beginning of Year, July 1			693,653		
End of Year, June 30			<u>\$ 700,570</u>		

**CITY OF ASHEBORO, NORTH CAROLINA**  
**SPECIAL REVENUE FUND - ECONOMIC AND TOURISM DEVELOPMENT FUND**

Schedule 5

**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Repayment of Expired Incentives	\$ 50,000	\$ 175,000	\$ -	\$ 175,000	\$ 125,000
Restricted Intergovernmental:					
CDBG Grant - Allen Industries	154,360	154,360	-	154,360	-
CDBG Grant - Technimark RAILSPUR	490,000	490,000	-	490,000	-
N.C. Industrial Development Fund - Allen Industries	69,195	69,190	-	69,190	(5)
Randolph County - Allen Industries	10,975	10,975	-	10,975	-
N.C. Department of Commerce	75,000	75,000	-	75,000	-
N.C. Department of Commerce - NC One Grant	350,000	350,000	-	350,000	-
Restricted Other:					
Miscellaneous Contributions	108,148	75,689	-	75,689	(32,459)
Rural Economic Development Center - Allen Industries	72,100	72,094	-	72,094	(6)
Rural Economic Development Center	40,000	40,000	-	40,000	-
Investment Earnings	4,000	-	-	-	(4,000)
<b>Total Revenues</b>	<b>1,423,778</b>	<b>1,512,308</b>	<b>-</b>	<b>1,512,308</b>	<b>88,530</b>
<b>Expenditures:</b>					
Economic and Physical Development:					
Cranford Property Redevelopment	195,500	187,610	-	187,610	7,890
Pigs and Pedals Event	210,844	210,844	-	210,844	-
Unilever/Bestfoods	125,000	125,000	-	125,000	-
Technimark	849,400	769,400	-	769,400	80,000
Starpet	325,000	325,000	-	325,000	-
N.C. Zoological Society	100,000	100,000	-	100,000	-
N.C. Zoo Feasibility Study	25,000	25,000	-	25,000	-
Malt-O-Meal	2,422,500	2,422,500	-	2,422,500	-
Randolph Hospital	500,000	500,000	-	500,000	-
Hospice of Randolph County	125,000	125,000	-	125,000	-
Chamber of Commerce	305,000	305,000	-	305,000	-
Chamber of Commerce - Main Street Program	75,000	70,833	-	70,833	4,167
Chamber of Commerce - Media Campaign	30,000	29,910	-	29,910	90
Chamber of Commerce - Venture Asheboro	100,000	75,000	-	75,000	25,000
Asheboro Downtown, Inc.	332,000	311,845	-	311,845	20,155
Downtown Redevelopment	648,000	304,228	-	304,228	343,772
Highway 64 Branding	330,000	185,000	-	185,000	145,000
Economic Development Corporation	571,000	566,000	-	566,000	5,000
Piedmont Traid Partnership	5,000	5,000	-	5,000	-
Piedmont Triad Regional Council	15,000	14,826	-	14,826	174
Premiere Fibers	40,000	40,000	-	40,000	-
Allen Industries	339,288	337,004	-	337,004	2,284
Randolph County Senior Adults Association	500,000	500,000	-	500,000	-
Family Crisis Child Advocacy Center	25,000	25,000	-	25,000	-
Technimark RAILSPUR	675,340	652,831	-	652,831	22,509
Fibertex Steam Mitigation	102,648	102,648	-	102,648	-
Fibertex	100,000	100,000	-	100,000	-
Local Transportation Study	25,000	-	-	-	25,000
Kayser Roth	25,000	25,000	-	25,000	-
<b>Total Expenditures</b>	<b>9,121,520</b>	<b>8,440,479</b>	<b>-</b>	<b>8,440,479</b>	<b>681,041</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(7,697,742)</b>	<b>(6,928,171)</b>	<b>-</b>	<b>(6,928,171)</b>	<b>769,571</b>
<b>Other Financing Sources (Uses):</b>					
Transfers From Other Funds:					
General Fund	5,335,220	3,011,141	-	3,011,141	(2,324,079)
Water and Sewer Fund	2,510,022	4,401,350	-	4,401,350	1,891,328
Transfers to Other Funds:					
General Fund	(147,500)	(147,500)	(336,820)	(484,320)	(336,820)
<b>Total Other Financing Sources (Uses)</b>	<b>7,697,742</b>	<b>7,264,991</b>	<b>(336,820)</b>	<b>6,928,171</b>	<b>(769,571)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 336,820</b>	<b>(336,820)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance:</b>					
Beginning of Year, July 1			336,820		
End of Year, June 30			<u>\$ -</u>		

**CITY OF ASHEBORO, NORTH CAROLINA**  
**SPECIAL REVENUE FUND - CDBG CORONAVIRUS (CDBG-CV) FUND**

Schedule 6

**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental Revenues:					
Community Development Block Grant	\$ 900,000	\$ 636,497	\$ -	\$ 636,497	\$ (263,503)
<b>Total Revenues</b>	<u>900,000</u>	<u>636,497</u>	<u>-</u>	<u>636,497</u>	<u>(263,503)</u>
<b>Expenditures:</b>					
Economic and Physical Development:					
Administration	90,000	106,470	-	106,470	(16,470)
Public Services	<u>830,000</u>	<u>549,677</u>	<u>-</u>	<u>549,677</u>	<u>280,323</u>
<b>Total Expenditures</b>	<u>920,000</u>	<u>656,147</u>	<u>-</u>	<u>656,147</u>	<u>263,853</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(20,000)</u>	<u>(19,650)</u>	<u>-</u>	<u>(19,650)</u>	<u>350</u>
<b>Other Financing Sources:</b>					
Transfers From Other Funds:					
General Fund	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 350</u>	<u>-</u>	<u>\$ 350</u>	<u>\$ 350</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			<u>350</u>		
End of Year, June 30			<u>\$ 350</u>		

**CITY OF ASHEBORO, NORTH CAROLINA**  
**CAPITAL PROJECT FUND - EMERGENCY OPERATIONS CENTER/FIRE STATION #3 FUND**

Schedule 7

**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental:					
Federal Grants	\$ 3,000,000	\$ -	\$ -	\$ -	\$ (3,000,000)
<b>Total Revenues</b>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,000,000)</u>
<b>Expenditures:</b>					
Capital Outlay:					
Engineering	500,000	-	-	-	500,000
Construction	1,500,000	-	-	-	1,500,000
Administration	250,000	-	-	-	250,000
Miscellaneous	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
<b>Total Expenditures</b>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			-		
End of Year, June 30			<u>\$ -</u>		

**CITY OF ASHEBORO, NORTH CAROLINA**  
**CAPITAL PROJECT FUND - DAVID AND PAULINE JARRELL CENTER CITY GARDEN PROJECT FUND**

Schedule 8

**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Expenditures:</b>					
Capital Outlay:					
Professional Services	\$ 110,436	\$ 43,086	\$ 37,125	\$ 80,211	\$ 30,225
Construction	240,000	-	2,947	2,947	237,053
<b>Total Expenditures</b>	<u>350,436</u>	<u>43,086</u>	<u>40,072</u>	<u>83,158</u>	<u>267,278</u>
<b>Other Financing Sources:</b>					
Transfers From Other Funds:					
General Fund	350,436	110,436	240,000	350,436	-
<b>Total Other Financing Sources:</b>	<u>350,436</u>	<u>110,436</u>	<u>240,000</u>	<u>350,436</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 67,350</u>	199,928	<u>\$ 267,278</u>	<u>\$ 267,278</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			<u>67,350</u>		
End of Year, June 30			<u>\$ 267,278</u>		



**CITY OF ASHEBORO, NORTH CAROLINA**  
**CAPITAL PROJECT FUND - MCCRARY BALLPARK IMPROVEMENT PROJECT FUND**

Schedule 9

**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental Revenues:					
N.C. Office of State Budget and Management	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Contributions	2,816,666	1,649,164	1,166,666	2,815,830	(836)
Miscellaneous	17,660	-	-	-	(17,660)
<b>Total Revenues</b>	<b>3,834,326</b>	<b>2,649,164</b>	<b>1,166,666</b>	<b>3,815,830</b>	<b>(18,496)</b>
<b>Expenditures:</b>					
Capital Outlay:					
Construction Management	150,613	113,910	-	113,910	36,703
Architect and Engineering	564,576	501,918	56,942	558,860	5,716
Construction - Grandstands	3,597,305	3,571,882	34,826	3,606,708	(9,403)
Construction - Playground	891,866	515,219	376,646	891,865	1
Miscellaneous	1,092,508	723,778	271,401	995,179	97,329
Construction - Storm Sewer, Grading, Paving	1,440,330	386,168	1,199,855	1,586,023	(145,693)
Sound System	95,481	46,400	49,080	95,480	1
Land	22,172	22,171	-	22,171	1
Lighting	260,000	-	264,354	264,354	(4,354)
Construction - Field Turf and Retaining Wall	1,883,801	1,881,565	-	1,881,565	2,236
<b>Total Expenditures</b>	<b>9,998,652</b>	<b>7,763,011</b>	<b>2,253,104</b>	<b>10,016,115</b>	<b>(17,463)</b>
<b>Revenues (Under) Expenditures</b>	<b>(6,164,326)</b>	<b>(5,113,847)</b>	<b>(1,086,438)</b>	<b>(6,200,285)</b>	<b>(35,959)</b>
<b>Other Financing Sources:</b>					
Transfers From Other Funds:					
General Fund	7,009,403	6,556,370	589,033	7,145,403	136,000
Transfers to Other Funds:					
General Fund	(845,077)	-	(845,077)	(845,077)	-
<b>Total Other Financing Sources (Uses)</b>	<b>6,164,326</b>	<b>6,556,370</b>	<b>(256,044)</b>	<b>6,300,326</b>	<b>136,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 1,442,523</b>	<b>(1,342,482)</b>	<b>\$ 100,041</b>	<b>\$ 100,041</b>
<b>Fund Balance:</b>					
Beginning of Year, July 1			1,442,523		
End of Year, June 30			<u>\$ 100,041</u>		

**CITY OF ASHEBORO, NORTH CAROLINA**  
**CAPITAL PROJECT FUND - AIRPORT IMPROVEMENTS FUND II**

Schedule 10

**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
Restricted Intergovernmental:					
Federal Grants	\$ 1,380,772	\$ 759,042	\$ 162,424	\$ 921,466	\$ (459,306)
<b>Total Revenues</b>	<u>1,380,772</u>	<u>759,042</u>	<u>162,424</u>	<u>921,466</u>	<u>(459,306)</u>
<b>Expenditures:</b>					
Capital Outlay:					
Professional Services	85,180	83,722	-	83,722	1,458
Construction Administration	134,265	55,037	63,947	118,984	15,281
Design and Bid Administration	141,166	-	97,715	97,715	43,451
Construction	1,041,650	566,696	401,050	967,746	73,904
Miscellaneous	455,166	-	-	-	455,166
<b>Total Expenditures</b>	<u>1,857,427</u>	<u>705,455</u>	<u>562,712</u>	<u>1,268,167</u>	<u>589,260</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(476,655)</u>	<u>53,587</u>	<u>(400,288)</u>	<u>(346,701)</u>	<u>129,954</u>
<b>Other Financing Sources:</b>					
Transfers From Other Funds:					
General Fund	476,655	479,238	130,817	610,055	133,400
<b>Total Other Financing Sources</b>	<u>476,655</u>	<u>479,238</u>	<u>130,817</u>	<u>610,055</u>	<u>133,400</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 532,825</u>	<u>(269,471)</u>	<u>\$ 263,354</u>	<u>\$ 263,354</u>
<b>Fund Balance:</b>					
Beginning of Year, July 1			<u>532,825</u>		
End of Year, June 30			<u>\$ 263,354</u>		

**CITY OF ASHEBORO, NORTH CAROLINA**  
**CAPITAL PROJECT FUND - ZOO CITY PARK SPORTSPLEX PROJECT FUND**

Schedule 11

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental Revenues:					
Randolph County	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
PARTF Grant	500,000	450,000	50,000	500,000	-
Contributions	810,180	968,423	240,102	1,208,525	398,345
<b>Total Revenues</b>	<b>1,310,180</b>	<b>1,618,423</b>	<b>290,102</b>	<b>1,908,525</b>	<b>598,345</b>
<b>Expenditures:</b>					
Capital Outlay:					
Professional Services	153,680	152,760	-	152,760	920
Construction	13,380,973	10,603,436	2,767,428	13,370,864	10,109
Land Acquisition	250,000	250,000	-	250,000	-
Field Turf	6,403,577	6,391,730	11,449	6,403,179	398
Miscellaneous Expense	906,000	178,881	477,520	656,401	249,599
Playground	563,450	538,900	-	538,900	24,550
Beach Volleyball	211,500	211,400	-	211,400	100
Pump Stations	50,000	50,406	-	50,406	(406)
Fitness Court	192,500	160,000	32,500	192,500	-
Bridges	40,480	-	40,480	40,480	-
Phone, Internet and Surveillance	435,000	-	402,703	402,703	32,297
Recreation Building Interior	178,000	-	585	585	177,415
Administration	1,500	860	-	860	640
<b>Total Expenditures</b>	<b>22,766,660</b>	<b>18,538,373</b>	<b>3,732,665</b>	<b>22,271,038</b>	<b>495,622</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(21,456,480)</b>	<b>(16,919,950)</b>	<b>(3,442,563)</b>	<b>(20,362,513)</b>	<b>1,093,967</b>
<b>Other Financing Sources:</b>					
Transfers From Other Funds:					
State Capital Infrastructure (SCIF) Fund	619,644	-	619,644	619,644	-
Water and Sewer Fund	402,540	370,790	31,750	402,540	-
General Fund	20,434,296	20,035,796	-	20,035,796	(398,500)
<b>Total Other Financing Sources</b>	<b>21,456,480</b>	<b>20,406,586</b>	<b>651,394</b>	<b>21,057,980</b>	<b>(398,500)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 3,486,636</b>	<b>(2,791,169)</b>	<b>\$ 695,467</b>	<b>\$ 695,467</b>
<b>Fund Balance:</b>					
Beginning of Year, July 1			3,486,636		
End of Year, June 30			<u>\$ 695,467</u>		

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**CITY OF ASHEBORO,  
NORTH CAROLINA**

Other Major Funds

Special Revenue Fund:

*State Capital Infrastructure (SCIF) Special Revenue Fund.* This fund accounts for grant funds to be used for capital infrastructure for economic development.

**CITY OF ASHEBORO, NORTH CAROLINA**  
**SPECIAL REVENUE FUND - STATE CAPITAL INFRASTRUCTURE (SCIF) GRANT FUND**

Schedule 12

**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental Revenues:					
N.C. Office of State Budget and Management - Textile Mill	\$ 1,500,000	\$ 1,095,162	136,587	\$ 1,231,749	(268,251)
N.C. Office of State Budget and Management - Fire Station	1,900,000	-	-	-	(1,900,000)
N.C. Office of State Budget and Management - Capital Improvements	200,000	28,050	1,260	29,310	(170,690)
N.C. Office of State Budget and Management - Down Town	1,500,000	52,810	118,847	171,657	(1,328,343)
N.C. Office of State Budget and Management - 23-24	2,500,000	-	619,644	619,644	(1,880,356)
Investment Earnings	-	137,372	205,517	342,889	342,889
<b>Total Revenues</b>	<b>7,600,000</b>	<b>1,313,394</b>	<b>1,081,855</b>	<b>2,395,249</b>	<b>(5,204,751)</b>
<b>Expenditures:</b>					
Economic and Physical Development:					
Fire Station Capital Improvements - Unallocated	1,900,000	-	-	-	1,900,000
Downtown Facilities	1,175,400	-	-	-	1,175,400
Downtown Engineering	324,600	52,810	118,847	171,657	152,943
Acme Mill Purchse	1,000,000	1,000,000	-	1,000,000	-
Acme Mill Miscellaneous	500,000	95,162	136,587	231,749	268,251
State Capital Infrastructure Fund - 23-24	1,880,356	-	-	-	1,880,356
Capital Improvements - Unallocated	200,000	28,050	1,260	29,310	170,690
<b>Total Expenditures</b>	<b>6,980,356</b>	<b>1,176,022</b>	<b>256,694</b>	<b>1,432,716</b>	<b>5,547,640</b>
<b>Revenues Over Expenditures</b>	<b>619,644</b>	<b>137,372</b>	<b>825,161</b>	<b>962,533</b>	<b>342,889</b>
<b>Other Financing Uses:</b>					
Transfers to Other Funds:					
Zoo City Park Sportsplex Fund	(619,644)	-	(619,644)	(619,644)	-
<b>Total Other Financing Uses</b>	<b>(619,644)</b>	<b>-</b>	<b>(619,644)</b>	<b>(619,644)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 137,372</b>	<b>205,517</b>	<b>\$ 342,889</b>	<b>\$ 342,889</b>
<b>Fund Balance:</b>					
Beginning of Year, July 1			137,372		
End of Year, June 30			<u>\$ 342,889</u>		

**CITY OF ASHEBORO,  
NORTH CAROLINA**

Enterprise Fund

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes. An enterprise fund charges fees sufficient to fund on-going operations, service its debt and provide for replacement and expansion of its capital facilities.

The City of Asheboro has a single enterprise fund, the Water and Sewer Fund, and one Water and Sewer Capital Project Fund; the Wolfsped Grant Project Fund, which accounts for grant expenditures funded from the N.C. Department of Commerce for water infrastructure expansion. The detail activity for this fund appears on Schedule 14. It is consolidated with the Water and Sewer Fund on Exhibit 6.

**CITY OF ASHEBORO, NORTH CAROLINA**  
**ENTERPRISE FUND - WATER AND SEWER FUND**

Schedule 13  
(Page 1 of 3)

**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the Year Ended June 30, 2024

	2024		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Operating Revenues:			
Water Sales	\$ 7,428,138	\$ 7,456,070	\$ 27,932
Sewer Charges	7,845,665	7,901,205	55,540
Water and Sewer Taps	168,781	212,525	43,744
Sampling and Monitoring Fees	25,000	25,232	232
Surcharges	100,000	209,091	109,091
Other Operating Revenues	563,000	640,354	77,354
Total Operating Revenues	16,130,584	16,444,477	313,893
Nonoperating Revenues:			
Lease Revenue	126,888	108,994	(17,894)
Interest Earned on Investments	-	379,757	379,757
Sales of Materials and Services	18,000	1,538	(16,462)
Grants	28,000	-	(28,000)
Other Nonoperating Revenues	193,000	89,745	(103,255)
Total Nonoperating Revenues	365,888	580,034	214,146
<b>Total Revenues</b>	16,496,472	17,024,511	528,039
<b>Expenditures:</b>			
Billing and Collections:			
Salaries and Employee Benefits		418,605	
Supplies		94,434	
Other Operating Expenditures		247,031	
Total	798,478	760,070	38,408
Water Meter Operations:			
Salaries and Employee Benefits		703,185	
Supplies		173,228	
Other Operating Expenditures		59,290	
Total	959,895	935,703	24,192
Water Supply and Treatment:			
Salaries and Employee Benefits		1,033,111	
Supplies		862,429	
Maintenance		598,789	
Other Operating Expenditures		1,278,523	
Total	3,772,996	3,772,852	144
Wastewater Treatment:			
Salaries and Employee Benefits		1,293,966	
Supplies		297,346	
Maintenance		371,278	
Other Operating Expenditures		968,278	
Total	3,048,379	2,930,868	117,511
Water Maintenance:			
Salaries and Employee Benefits		1,073,628	
Supplies		306,232	
Maintenance		51,875	
Other Operating Expenditures		116,445	
Total	\$ 2,076,334	\$ 1,548,180	\$ 528,154



**CITY OF ASHEBORO, NORTH CAROLINA**  
**ENTERPRISE FUND - WATER AND SEWER FUND**

Schedule 13  
(Page 2 of 3)

**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the Year Ended June 30, 2024

	2024		Variance Positive (Negative)
	Budget	Actual	
<b>Expenditures (Concluded):</b>			
Wastewater Maintenance:			
Salaries and Employee Benefits	\$	\$ 968,847	\$
Supplies		182,692	
Maintenance		52,756	
Other Operating Expenditures		180,128	
Total	1,426,674	1,384,423	42,251
Technical Services:			
Salaries and Employee Benefits		269,032	
Supplies		24,959	
Other Operating Expenditures		19,125	
Total	326,848	313,116	13,732
Systems Maintenance:			
Salaries and Employee Benefits		963,995	
Supplies		141,344	
Maintenance		346,578	
Other Operating Expenditures		261,679	
Total	2,250,815	1,713,596	537,219
Water Quality:			
Salaries and Employee Benefits		525,390	
Supplies		135,046	
Other Operating Expenditures		138,411	
Total	839,356	798,847	40,509
Debt Service:			
Principal on Bonds and Note		469,364	
Interest and Fees		45,380	
Total	514,746	514,744	2
Capital Outlay:			
Water Mter Operations		39,788	
Wastewater Treatment		42,991	
Water Maintenance		246,365	
Wastewater Maintenance		213,212	
Technical Services		71,685	
Systems Maintenance		85,782	
Water Quality		16,873	
Total	1,267,201	716,696	550,505
<b>Total Expenditures</b>	17,281,722	15,389,095	1,892,627
<b>Revenues Over (Under) Expenditures (Forward)</b>	\$ (785,250)	\$ 1,635,416	\$ 2,420,666

**CITY OF ASHEBORO, NORTH CAROLINA**  
**ENTERPRISE FUND - WATER AND SEWER FUND**

Schedule 13  
(Page 3 of 3)

**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the Year Ended June 30, 2024

	2024		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues Over (Under) Expenditures (Brought Forward)</b>	<u>\$ (785,250)</u>	<u>\$ 1,635,416</u>	<u>\$ 2,420,666</u>
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	-	300	300
Installment Purchase Obligations Issued	817,000	806,482	(10,518)
Transfers to Other Funds:			
Zoo City Park Sportsplex Fund	<u>(31,750)</u>	<u>(31,750)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>785,250</u>	<u>775,032</u>	<u>(10,218)</u>
<b>Revenues Over Expenditures and Other Sources (Uses)</b>	<u>\$ -</u>	<u>\$ 2,410,448</u>	<u>\$ 2,410,448</u>
<b>Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>			
<b>Revenues Over Expenditures and Other Sources (Uses)</b>		<u>\$ 2,410,448</u>	
Payment of Bond and Note Principal		469,364	
Proceeds From Debt Agreements		(806,482)	
Capital Outlay		716,696	
Depreciation		(2,153,279)	
Loss on Sale of Assets		(8,952)	
Decrease In Accrued Compensated Absences		32,952	
Increase in OPEB Liability		(182,191)	
Decrease in Deferred Outflows of Resources - OPEB		(268,490)	
Increase in Deferred Inflows of Resources - OPEB		(66,778)	
Increase in Net Pension Liability		(462,158)	
Increase in Deferred Outflows of Resources - Pension		127,621	
Decrease in Deferred Inflows of Resources - Pensions		557	
Decrease In Accrued Interest Expense		1,493	
Capital Assets Transferred From Governmental-type Capital Project Funds		50,407	
Capitalized Labor, Materials and Other Costs		369,611	
Water and Sewer Capital Project Fund:			
Capital Outlay		<u>839,286</u>	
<b>Total Reconciling Items</b>		<u>(1,340,343)</u>	
<b>Change in Net Position</b>		<u>\$ 1,070,105</u>	

**CITY OF ASHEBORO, NORTH CAROLINA**  
**WOLFSPEED GRANT PROJECT FUND**

Schedule 14

**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
From Inception and For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted Intergovernmental Revenues:					
N.C. Department of Commerce	\$ 55,000,000	\$ -	\$ 839,286	\$ 839,286	\$ (54,160,714)
<b>Expenditures:</b>					
Engineering	12,000,000	-	749,812	749,812	11,250,188
Construction	37,000,000	-	-	-	37,000,000
Administration	1,000,000	-	89,474	89,474	910,526
Miscellaneous	5,000,000	-	-	-	5,000,000
<b>Total Expenditures</b>	<b>55,000,000</b>	<b>-</b>	<b>839,286</b>	<b>839,286</b>	<b>54,160,714</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**CITY OF ASHEBORO,  
NORTH CAROLINA**

Capital Assets Used in the Operation of  
Governmental Funds

**CITY OF ASHEBORO, NORTH CAROLINA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

Schedule 15

**COMPARATIVE SCHEDULES BY SOURCE**

June 30, 2024

	<u>2024</u>	<u>2023</u>
<b>Governmental Funds Capital Assets:</b>		
Land	\$ 5,507,426	\$ 5,370,522
Land Improvements	36,418,357	13,169,454
Buildings	24,904,951	17,365,727
Street Construction	17,676,029	17,368,029
Computer Equipment	945,242	567,304
Equipment	9,392,125	7,359,987
Vehicles	17,058,568	15,811,065
Construction in Progress	<u>2,095,370</u>	<u>28,071,791</u>
<b>Total Capital Assets</b>	<u><u>\$ 113,998,068</u></u>	<u><u>\$ 105,083,879</u></u>
<b>Investment in Governmental Funds Capital Assets - by Source:</b>		
General Fund	\$ 37,577,388	\$ 36,433,323
Special Revenue Funds	354,681	354,681
Capital Projects Funds	62,123,047	54,352,923
Donations	<u>13,942,952</u>	<u>13,942,952</u>
	<u><u>\$ 113,998,068</u></u>	<u><u>\$ 105,083,879</u></u>

**CITY OF ASHEBORO, NORTH CAROLINA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

Schedule 16

**SCHEDULE BY FUNCTION AND ACTIVITY**

June 30, 2024

Function and Activity	Land	Land Improvements	Buildings	Street Construction	Computer Equipment	Equipment	Vehicles	Construction In Progress	Total
<b>General Government:</b>									
Governing Body	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,631	\$ -	\$ -	\$ 6,631
Administration	-	-	-	-	-	-	-	-	-
Personnel and City Clerk	-	-	-	-	-	7,048	-	-	7,048
Finance	-	-	-	-	40,701	-	-	-	40,701
Human Resources	13,908	7,490	41,725	-	93,870	28,425	26,379	-	211,797
Legal Services	-	-	-	-	-	-	-	-	-
Planning and Community Development	-	-	-	-	16,029	14,446	35,070	-	65,545
Public Buildings	214,578	265,767	869,358	-	784	77,771	73,688	-	1,501,946
Information Technology	-	-	-	-	73,863	111,912	-	-	185,775
City Shop	67,274	-	-	-	4,090	380,242	345,670	-	797,276
<b>Total General Government</b>	<b>295,760</b>	<b>273,257</b>	<b>911,083</b>	<b>-</b>	<b>229,337</b>	<b>626,475</b>	<b>480,807</b>	<b>-</b>	<b>2,816,719</b>
<b>Public Safety:</b>									
Police	116,129	126,853	835,270	-	40,728	1,333,778	3,985,278	-	6,438,036
Fire	139,980	13,313	514,677	-	181,403	648,215	3,986,630	-	5,484,218
Inspections	-	-	-	-	-	-	38,861	-	38,861
<b>Total Public Safety</b>	<b>256,109</b>	<b>140,166</b>	<b>1,349,947</b>	<b>-</b>	<b>222,131</b>	<b>1,981,993</b>	<b>8,010,769</b>	<b>-</b>	<b>11,961,115</b>
<b>Transportation:</b>									
Public Works	273,697	-	4,751,692	-	17,193	228,294	313,239	-	5,584,115
Streets	258,238	169,319	9,800	17,676,029	-	1,198,107	2,863,067	-	22,174,560
City Engineer	-	-	-	-	23,313	77,191	101,458	-	201,962
Airport	1,200,781	10,307,038	1,019,966	-	-	1,675,007	-	-	14,202,792
<b>Total Transportation</b>	<b>1,732,716</b>	<b>10,476,357</b>	<b>5,781,458</b>	<b>17,676,029</b>	<b>40,506</b>	<b>3,178,599</b>	<b>3,277,764</b>	<b>-</b>	<b>42,163,429</b>
<b>Environmental Protection:</b>									
Sanitation	71,755	-	699,940	-	38,906	1,143,697	4,041,132	-	5,995,430
<b>Cultural and Recreational:</b>									
Parks, Lakes and Playgrounds	1,721,362	25,060,710	13,101,318	-	414,362	1,529,507	120,443	-	41,947,702
Municipal Golf Course	28,015	186,149	67,418	-	-	129,308	-	-	410,890
Grounds Maintenance	85,675	65,918	162,851	-	-	802,546	1,127,653	-	2,244,643
Library	171,418	11,425	-	-	-	-	-	-	182,843
<b>Total Cultural and Recreational</b>	<b>2,006,470</b>	<b>25,324,202</b>	<b>13,331,587</b>	<b>-</b>	<b>414,362</b>	<b>2,461,361</b>	<b>1,248,096</b>	<b>-</b>	<b>44,786,078</b>
<b>Economic and Physical Development:</b>									
Community Promotion	1,144,616	204,375	2,830,936	-	-	-	-	-	4,179,927
<b>Construction in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,095,370</b>	<b>2,095,370</b>
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 5,507,426</b>	<b>\$ 36,418,357</b>	<b>\$ 24,904,951</b>	<b>\$ 17,676,029</b>	<b>\$ 945,242</b>	<b>\$ 9,392,125</b>	<b>\$ 17,058,568</b>	<b>\$ 2,095,370</b>	<b>\$ 113,998,068</b>

**CITY OF ASHEBORO, NORTH CAROLINA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

Schedule 17

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
For the Year Ended June 30, 2024

<b><u>Function and Activity</u></b>	<b>Governmental Fund Capital Assets June 30, 2023</b>	<b>Additions</b>	<b>Retirements</b>	<b>Governmental Fund Capital Assets June 30, 2024</b>
<b>General Government:</b>				
Governing Body	\$ 6,631	\$ -	\$ -	\$ 6,631
Administration	-	-	-	-
Personnel and City Clerk	7,048	-	-	7,048
Finance	40,701	-	-	40,701
Human Resources	211,797	-	-	211,797
Legal Services	-	-	-	-
Planning and Community Development	59,241	6,304	-	65,545
Public Buildings	1,358,784	209,822	66,660	1,501,946
Information Technology	185,775	-	-	185,775
City Shop	758,727	70,614	32,065	797,276
<b>Total General Government</b>	<b>2,628,704</b>	<b>286,740</b>	<b>98,725</b>	<b>2,816,719</b>
<b>Public Safety:</b>				
Police	5,471,433	1,142,237	175,634	6,438,036
Fire	5,026,280	457,938	-	5,484,218
Inspections	38,861	-	-	38,861
<b>Total Public Safety</b>	<b>10,536,574</b>	<b>1,600,175</b>	<b>175,634</b>	<b>11,961,115</b>
<b>Transportation:</b>				
Public Works	5,584,115	-	-	5,584,115
Streets	21,713,118	461,442	-	22,174,560
City Engineer	157,974	43,988	-	201,962
Airport	14,202,792	-	-	14,202,792
<b>Total Transportation</b>	<b>41,657,999</b>	<b>505,430</b>	<b>-</b>	<b>42,163,429</b>
<b>Environmental Protection:</b>				
Sanitation	5,619,445	375,985	-	5,995,430
<b>Cultural and Recreational:</b>				
Parks, Lakes and Playgrounds	9,731,998	32,371,558	155,854	41,947,702
Municipal Golf Course	410,890	-	-	410,890
Grounds Maintenance	2,063,708	180,935	-	2,244,643
Library	182,843	-	-	182,843
<b>Total Cultural and Recreational</b>	<b>12,389,439</b>	<b>32,552,493</b>	<b>155,854</b>	<b>44,786,078</b>
<b>Economic and Physical Development:</b>				
Community Promotion	4,179,927	-	-	4,179,927
<b>Construction in Progress</b>	<b>28,071,791</b>	<b>7,816,880</b>	<b>33,793,301</b>	<b>2,095,370</b>
<b>Total Governmental Fund Capital Assets</b>	<b>\$ 105,083,879</b>	<b>\$ 43,137,703</b>	<b>\$ 34,223,514</b>	<b>\$ 113,998,068</b>



**CITY OF ASHEBORO,  
NORTH CAROLINA**

Other Supplemental Information

The following supplemental schedules are provided to enhance the financial statement user's understanding of municipal finance by providing additional detail of ad valorem taxes levied, collected and receivable at year end.

**CITY OF ASHEBORO, NORTH CAROLINA**Schedule 18**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**

For the Year Ended June 30, 2024

<u>Fiscal Year</u>	Balance July 1, 2023	Additions	Collections and Credits	Balance June 30, 2024
2023-2024	\$ -	\$ 24,708,207	\$ 24,539,559	\$ 168,648
2022-2023	72,031		36,420	35,611
2021-2022	32,304		13,904	18,400
2020-2021	20,586		3,905	16,681
2019-2020	17,116		2,469	14,647
2018-2019	12,308		1,942	10,366
2017-2018	8,188		548	7,640
2016-2017	5,336		133	5,203
2015-2016	4,701		133	4,568
2014-2015	3,840		127	3,713
2013-2014	3,512		3,512	-
	<u>\$ 179,922</u>	<u>\$ 24,708,207</u>	<u>\$ 24,602,652</u>	285,477
Less Allowance for Uncollectible Ad Valorem Taxes Receivable				<u>(45,000)</u>
Ad Valorem Taxes Receivable - Net				<u>\$ 240,477</u>
Reconciliation with Revenues:				
Ad Valorem Taxes Collected - General Fund			\$ 24,967,329	
Discounts Allowed			306,094	
Releases and Adjustments			(631,075)	
Taxes Written Off			3,512	
Interest Collected			<u>(43,208)</u>	
Total Collections and Credits			<u>\$ 24,602,652</u>	

ANALYSIS OF CURRENT TAX LEVY

For the Year Ended June 30, 2024

	City-Wide		Total Levy	
	Property Valuation	Rate	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>				
Property Taxed at Current Year's Rate	\$ 3,551,543,721	.710	\$ 25,215,960	\$ 23,670,613
Motor Vehicles Taxed at Prior Year's Rate	-	.665	-	\$ 1,545,347
<b>Total</b>	<u>3,551,543,721</u>		<u>25,215,960</u>	<u>23,670,613</u>
<b>Discoveries:</b>				
Current Year Taxes	29,194,539	.710	207,281	-
Prior Years Taxes	<u>5,052,585</u>	<u>.665</u>	<u>35,873</u>	<u>-</u>
	<u>34,247,124</u>		<u>243,154</u>	<u>-</u>
<b>Abatements</b>	<u>(105,761,638)</u>		<u>(750,907)</u>	<u>-</u>
<b>Total Valuation</b>	<u>\$ 3,480,029,207</u>			
Net Levy			24,708,207	1,545,347
Uncollected Taxes at June 30, 2024			<u>(168,648)</u>	<u>(4,433)</u>
Current Year's Taxes Collected			<u>\$ 24,539,559</u>	<u>\$ 1,540,914</u>
Current Levy Collection Percentage			<u>99.32%</u>	<u>99.71%</u>

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**CITY OF ASHEBORO,  
NORTH CAROLINA**

**STATISTICAL SECTION**

This part of the City of Asheboro's comprehensive annual 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 of Asheboro's financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	110
These tables contain trend information to help the reader understand how the City's Financial performance and well-being have changed over time.	
Revenue Capacity	116
These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	121
These tables 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	125
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	127
These tables 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.	

**CITY OF ASHEBORO, NORTH CAROLINA**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Table 1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net Investment in capital assets	\$ 20,340,527	\$ 19,418,912	\$ 20,589,583	\$ 23,074,036	\$ 23,205,351	\$ 24,956,824	\$ 27,654,745	\$ 32,218,892	\$ 51,755,062	\$ 56,803,061
Restricted	4,481,550	5,378,405	5,189,258	5,158,364	5,953,123	9,841,317	7,206,941	9,443,503	11,652,664	6,773,216
Unrestricted	795,862	4,733,514	6,384,294	2,100,510	3,746,958	(173,280)	(1,092,378)	(5,516,228)	(15,898,756)	(9,998,239)
Total Governmental activities net position	<u>\$ 25,617,939</u>	<u>\$ 29,530,831</u>	<u>\$ 32,163,135</u>	<u>\$ 30,332,910</u>	<u>\$ 32,905,432</u>	<u>\$ 34,624,861</u>	<u>\$ 33,769,308</u>	<u>\$ 36,146,167</u>	<u>\$ 47,508,970</u>	<u>\$ 53,578,038</u>
Business-type activities										
Net Investment in capital assets	\$ 41,762,170	\$ 40,684,861	\$ 39,826,001	\$ 38,693,420	\$ 38,372,581	\$ 37,336,018	\$ 36,437,299	\$ 35,514,494	\$ 34,041,158	\$ 34,129,138
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,468,913	10,452,569	11,605,944	10,762,594	10,352,433	9,427,132	8,046,990	7,642,754	9,259,986	10,242,111
Total business-type activities net position	<u>\$ 50,231,083</u>	<u>\$ 51,137,430</u>	<u>\$ 51,431,945</u>	<u>\$ 49,456,014</u>	<u>\$ 48,725,014</u>	<u>\$ 46,763,150</u>	<u>\$ 44,484,289</u>	<u>\$ 43,157,248</u>	<u>\$ 43,301,144</u>	<u>\$ 44,371,249</u>
Primary government										
Net Investment in capital assets	\$ 62,102,697	\$ 60,103,773	\$ 60,415,584	\$ 61,767,456	\$ 61,577,932	\$ 62,292,842	\$ 64,092,044	\$ 67,733,386	\$ 85,796,220	\$ 90,932,199
Restricted	4,481,550	5,378,405	5,189,258	5,158,364	5,953,123	9,841,317	7,206,941	9,443,503	11,652,664	6,773,216
Unrestricted	9,264,775	15,186,083	17,990,238	12,863,104	14,099,391	9,253,852	6,954,612	2,126,526	(6,638,770)	243,872
Total primary government net position	<u>\$ 75,849,022</u>	<u>\$ 80,668,261</u>	<u>\$ 83,595,080</u>	<u>\$ 79,788,924</u>	<u>\$ 81,630,446</u>	<u>\$ 81,388,011</u>	<u>\$ 78,253,597</u>	<u>\$ 79,303,415</u>	<u>\$ 90,810,114</u>	<u>\$ 97,949,287</u>

**CITY OF ASHEBORO, NORTH CAROLINA**

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

(Page 1 of 2)

<b>Expenses</b>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 3,200,467	\$ 2,814,426	\$ 3,302,841	\$ 3,614,889	\$ 4,130,528	\$ 3,895,095	\$ 4,073,165	\$ 4,531,206	\$ 5,135,055	\$ 6,725,008
Public safety	11,694,632	11,232,356	12,545,696	11,640,779	13,581,696	14,653,147	17,118,035	16,960,337	19,847,111	21,465,333
Transportation	4,343,125	4,120,997	4,067,976	3,018,536	4,272,703	4,549,659	4,964,157	5,041,946	5,466,666	5,530,082
Environmental protection	2,303,227	2,104,593	2,086,231	1,800,856	1,939,019	1,893,008	2,073,684	2,100,548	2,354,567	2,447,510
Cultural and recreational	3,483,175	3,141,542	3,587,708	3,271,440	3,972,893	4,188,872	4,614,378	4,883,645	5,587,971	7,373,457
Economic and physical development	230,330	305,104	315,026	573,124	596,079	289,296	561,473	759,031	2,074,815	256,694
Interest on long-term debt	42,586	33,739	35,125	30,524	37,217	38,981	44,328	39,295	79,269	102,023
Total governmental activities expenses	25,297,542	23,752,757	25,940,603	23,950,148	28,530,135	29,508,058	33,449,220	34,316,008	40,545,454	43,900,107
Business-type activities:										
Water and Sewer	12,862,542	11,931,316	12,427,411	12,059,988	14,052,448	14,512,810	14,921,002	14,451,853	16,705,114	16,812,349
Total business-type activities expenses	12,862,542	11,931,316	12,427,411	12,059,988	14,052,448	14,512,810	14,921,002	14,451,853	16,705,114	16,812,349
Total primary government expenses	<u>\$ 38,160,084</u>	<u>\$ 35,684,073</u>	<u>\$ 38,368,014</u>	<u>\$ 36,010,136</u>	<u>\$ 42,582,583</u>	<u>\$ 44,020,868</u>	<u>\$ 48,370,222</u>	<u>\$ 48,767,861</u>	<u>\$ 57,250,568</u>	<u>\$ 60,712,456</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 313,367	\$ 26,346	\$ 26,858	\$ 34,554	\$ 26,252	\$ 24,002	\$ 29,374	\$ 32,485	\$ 26,275	\$ 31,467
Public safety	109,897	133,091	144,718	191,255	162,075	174,412	233,222	251,743	312,078	663,898
Transportation	37,556	37,436	26,106	27,216	28,949	36,325	33,625	103,104	81,082	101,447
Environmental protection	1,265,347	2,024,615	1,959,250	1,803,191	1,822,318	1,866,419	1,891,377	1,930,346	2,805,463	2,906,352
Cultural and recreational	411,468	391,318	413,810	392,698	374,094	323,592	334,765	432,542	502,499	677,777
Operating grants and contributions	937,279	764,474	908,827	1,273,101	1,799,493	850,045	1,215,358	984,317	10,757,576	2,319,427
Capital grants and contributions	248,682	256,912	2,073,131	54,770	708,526	649,934	526,476	1,942,598	3,871,885	1,755,066
Total governmental activities program revenues	3,323,596	3,634,192	5,552,700	3,776,785	4,921,707	3,924,729	4,264,197	5,677,135	18,356,858	8,455,434
Business-type activities:										
Charges for services:										
Water and Sewer	11,993,022	12,045,164	12,710,003	12,595,720	12,702,865	12,274,138	12,424,438	12,872,793	16,498,721	16,444,477
Operating grants and contributions	638,507	756,947	200,000	2,571	282,197	-	-	150,000	-	-
Capital grants and contributions	94,325	-	-	-	-	-	-	-	-	889,693
Total business-type activities program revenues	12,725,854	12,802,111	12,910,003	12,598,291	12,985,062	12,274,138	12,424,438	13,022,793	16,498,721	17,334,170
Total primary government program revenues	<u>\$ 16,049,450</u>	<u>\$ 16,436,303</u>	<u>\$ 18,462,703</u>	<u>\$ 16,375,076</u>	<u>\$ 17,906,769</u>	<u>\$ 16,198,867</u>	<u>\$ 16,688,635</u>	<u>\$ 18,699,928</u>	<u>\$ 34,855,579</u>	<u>\$ 25,789,604</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (21,973,946)	\$ (20,118,565)	\$ (20,387,903)	\$ (20,173,363)	\$ (23,608,428)	\$ (25,583,329)	\$ (29,185,023)	\$ (28,638,873)	\$ (22,188,596)	\$ (35,444,673)
Business-type activities	(136,688)	870,795	482,592	538,303	(1,067,386)	(2,238,672)	(2,496,564)	(1,429,060)	(206,393)	521,821
Total primary government net expense	<u>\$ (22,110,634)</u>	<u>\$ (19,247,770)</u>	<u>\$ (19,905,311)</u>	<u>\$ (19,635,060)</u>	<u>\$ (24,675,814)</u>	<u>\$ (27,822,001)</u>	<u>\$ (31,681,587)</u>	<u>\$ (30,067,933)</u>	<u>\$ (22,394,989)</u>	<u>\$ (34,922,852)</u>

**CITY OF ASHEBORO, NORTH CAROLINA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Table 2  
(Page 2 of 2)

**General Revenues and Other Changes in  
Net Position**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Taxes										
Property taxes	\$ 14,507,360	\$ 15,400,126	\$ 15,803,180	\$ 15,409,790	\$ 16,056,663	\$ 16,965,356	\$ 17,278,284	\$ 17,818,800	\$ 18,506,008	\$ 25,067,884
Sales taxes	3,431,212	3,720,840	4,322,926	4,499,854	4,755,545	5,044,116	5,795,504	6,799,197	10,133,914	10,652,866
Franchise taxes	2,338,786	2,493,755	2,488,259	2,501,249	2,514,864	2,429,909	2,429,450	2,446,885	2,525,543	2,665,862
Other taxes and licenses	1,466,412	1,506,768	1,645,252	1,699,412	1,774,230	1,792,701	2,043,660	2,423,065	248,742	272,369
Investment earnings	42,488	28,151	36,942	55,175	202,284	254,940	17,393	38,263	772,046	808,330
Miscellaneous	636,456	881,817	951,890	764,195	877,364	815,736	765,179	1,168,732	1,315,146	2,014,680
Transfers	500,000	-	400,000	510,000	-	-	-	320,790	50,000	31,750
Total governmental activities	22,922,714	24,031,457	25,648,449	25,439,675	26,180,950	27,302,758	28,329,470	31,015,732	33,551,399	41,513,741
Business-type activities:										
Investment earnings	9,231	11,552	17,674	37,423	101,917	91,073	4,246	18,004	215,226	379,757
Miscellaneous	(39,304)	24,000	194,249	175,254	234,469	185,735	213,457	404,805	185,063	200,277
Transfers	(500,000)	-	(400,000)	(510,000)	-	-	-	(320,790)	(50,000)	(31,750)
Total business-type activities	(530,073)	35,552	(188,077)	(297,323)	336,386	276,808	217,703	102,019	350,289	548,284
Total primary government	\$ 22,392,641	\$ 24,067,009	\$ 25,460,372	\$ 25,142,352	\$ 26,517,336	\$ 27,579,566	\$ 28,547,173	\$ 31,117,751	\$ 33,901,688	\$ 42,062,025
<b>Change in Net Position</b>										
Governmental activities	\$ 948,768	\$ 3,912,892	\$ 5,260,546	\$ 5,266,312	\$ 2,572,522	\$ 1,719,429	\$ (855,553)	\$ 2,376,859	\$ 11,362,803	\$ 6,069,068
Business-type activities	(666,761)	906,347	294,515	240,980	(731,000)	(1,961,864)	(2,278,861)	(1,327,041)	143,896	1,070,105
Total primary government	\$ 282,007	\$ 4,819,239	\$ 5,555,061	\$ 5,507,292	\$ 1,841,522	\$ (242,435)	\$ (3,134,414)	\$ 1,049,818	\$ 11,506,699	\$ 7,139,173



**CITY OF ASHEBORO, NORTH CAROLINA**  
**Governmental Activities Tax Revenues By Source**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

Table 3

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Other</u>	<u>Total</u>
2015	14,507,360	3,431,212	2,338,786	1,466,412	21,743,770
2016	15,400,126	3,720,840	2,493,755	1,506,768	23,121,489
2017	15,803,180	4,322,926	2,488,259	1,645,252	24,259,617
2018	15,409,790	4,499,854	2,501,249	1,699,412	24,110,305
2019	16,056,663	4,755,545	2,514,864	1,774,230	25,101,302
2020	16,965,356	5,044,116	2,429,909	1,792,701	26,232,082
2021	17,278,284	5,795,504	2,429,450	2,043,660	27,546,898
2022	17,818,800	6,799,197	2,446,885	2,423,065	29,487,947
2023	18,506,008	7,823,647	2,525,543	2,559,009	31,414,207
2024	25,067,884	8,378,751	2,665,862	2,546,484	38,658,981

**CITY OF ASHEBORO, NORTH CAROLINA**

**Fund Balances of Governmental Funds**

Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 1,089,527	\$ 998,477	\$ 1,201,406	\$ 860,623	\$ 845,284	\$ 848,691	\$ 1,158,095	\$ 1,297,716	\$ 930,574	\$ 769,858
Restricted	2,757,574	3,812,763	3,266,860	3,297,829	3,770,987	3,696,711	3,397,284	5,828,080	4,297,911	4,755,867
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	304,152	-	2,214,956	2,311,236	2,571,413	-	817,960	52,000
Unassigned	5,990,191	9,220,728	13,697,299	16,363,953	16,242,035	12,441,071	14,389,348	14,313,574	7,593,457	15,699,374
Total General Fund	<u>\$ 9,837,292</u>	<u>\$ 14,031,968</u>	<u>\$ 18,469,717</u>	<u>\$ 20,522,405</u>	<u>\$ 23,073,262</u>	<u>\$ 19,297,709</u>	<u>\$ 21,516,140</u>	<u>\$ 21,439,370</u>	<u>\$ 13,639,902</u>	<u>\$ 21,277,099</u>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	629,631	627,961	969,948	689,545	1,123,109	801,532	847,119	1,286,766	5,813,852	1,093,959
Committed	1,097,345	937,681	952,450	1,170,990	1,059,027	5,468,907	2,962,538	2,328,657	1,685,673	1,308,132
Unassigned	-	(17,677)	-	-	-	(25,530)	-	(58,786)	(639,572)	(32,142)
Total all other governmental funds	<u>\$ 1,726,976</u>	<u>\$ 1,547,965</u>	<u>\$ 1,922,398</u>	<u>\$ 1,860,535</u>	<u>\$ 2,182,136</u>	<u>\$ 6,244,909</u>	<u>\$ 3,809,657</u>	<u>\$ 3,556,637</u>	<u>\$ 6,859,953</u>	<u>\$ 2,369,949</u>

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

Table 5

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 14,519,022	\$ 15,419,773	\$ 15,836,160	\$ 15,415,804	\$ 16,061,138	\$ 16,924,061	\$ 17,299,178	\$ 17,806,268	\$ 18,517,721	\$ 24,967,329
Other taxes and licences	323,903	39,010	39,105	40,744	44,380	39,659	42,577	54,420	56,193	65,125
Intergovernmental	8,686,356	8,909,203	10,528,295	10,324,156	11,538,055	11,056,156	12,005,545	13,568,091	27,334,649	17,015,203
Permits and fees	139,882	166,459	189,015	236,694	196,727	201,901	230,242	236,385	300,166	633,859
Sales and services	1,687,425	2,386,673	2,422,699	2,229,866	2,219,610	2,218,217	2,282,962	2,480,685	3,320,214	3,696,972
Investment earnings	42,488	28,151	36,942	55,175	202,284	254,940	17,393	38,263	772,046	808,330
Miscellaneous	393,497	527,045	399,907	406,854	691,515	475,809	399,949	1,915,006	1,389,265	1,768,578
Total revenues	25,792,573	27,476,314	29,452,123	28,709,293	30,953,709	31,170,743	32,277,846	36,099,118	51,690,254	48,955,396
<b>Expenditures</b>										
General government	3,151,731	2,914,210	3,227,755	3,783,552	3,968,927	3,644,107	3,718,560	4,319,992	4,960,831	6,387,880
Public safety	12,302,052	11,848,353	11,930,627	12,137,191	13,154,522	15,348,885	15,706,471	15,444,251	17,835,263	20,645,209
Transportation	3,486,959	3,351,320	3,713,248	3,645,195	3,494,990	4,154,354	4,083,462	4,212,567	4,252,162	4,592,694
Environmental protection	2,169,598	1,985,502	1,970,874	2,294,394	1,795,686	1,892,708	2,019,521	2,278,815	2,077,577	2,435,371
Culture and recreation	3,218,540	3,205,708	3,319,057	4,007,872	5,015,632	5,181,743	4,023,520	4,795,784	5,692,189	5,711,952
Economic and physical development	329,546	277,744	287,666	545,764	568,719	314,966	548,629	759,649	2,090,046	256,694
Capital outlay	48,385	106,179	719,723	692,046	49,318	607,185	2,612,813	6,196,855	18,805,535	6,588,553
Debt service:										
Principal	712,562	752,694	719,175	744,105	661,824	622,532	640,763	772,490	1,096,553	1,071,611
Interest	42,562	33,739	35,665	30,524	37,217	38,981	44,328	39,295	79,269	102,023
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	25,461,935	24,475,449	25,923,790	27,880,643	28,746,835	31,805,461	33,398,067	38,819,698	56,889,425	47,791,987
Excess of revenues over (under) expenditures	330,638	3,000,865	3,528,333	828,650	2,206,874	(634,718)	(1,120,221)	(2,720,580)	(5,199,171)	1,163,409
<b>Other financing sources (uses)</b>										
Transfers in	703,673	119,568	961,468	1,210,204	-	4,534,700	521,200	4,947,383	27,631,903	2,793,141
Transfers out	(203,673)	(119,568)	(561,468)	(700,204)	-	(4,534,700)	(521,200)	(4,626,593)	(27,581,903)	(2,761,391)
Insurance Recovery	-	-	-	-	-	-	-	-	-	48,034
Installment purchase obligations / Notes	690,040	920,000	331,331	643,175	611,738	921,938	903,400	2,070,000	386,529	1,188,108
Sale of assets	39,440	94,800	552,518	9,000	53,846	-	-	-	104,066	878,316
Total other financing sources (uses)	1,229,480	1,014,800	1,283,849	1,162,175	665,584	921,938	903,400	2,390,790	540,595	2,146,208
Net change in fund balances	\$ 1,560,118	\$ 4,015,665	\$ 4,812,182	\$ 1,990,825	\$ 2,872,458	\$ 287,220	\$ (216,821)	\$ (329,790)	\$ (4,658,576)	\$ 3,309,617
Debt services as a percentage of noncapital expenditures	3.1%	3.4%	3.0%	3.3%	2.7%	2.4%	2.3%	2.2%	2.2%	2.7%

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

Table 6

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Other</u>	<u>Total</u>
2015	14,519,022	3,431,212	2,338,786	1,389,610	21,678,630
2016	15,419,773	3,720,840	2,493,755	1,455,392	23,089,760
2017	15,836,160	4,322,926	2,488,259	1,529,649	24,176,994
2018	15,415,804	4,499,854	2,501,249	1,699,412	24,116,319
2019	16,061,138	4,755,545	2,514,864	1,774,230	25,105,777
2020	16,924,061	5,044,116	2,429,909	1,792,701	26,190,787
2021	17,299,178	5,795,504	2,429,450	2,043,660	27,567,792
2022	17,806,268	6,799,197	2,446,885	2,423,065	29,475,415
2023	18,517,721	7,823,647	2,525,543	2,559,009	31,425,920
2024	24,967,329	8,378,751	2,665,862	2,546,484	38,558,426

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

Table 7

Fiscal Year	Real Property	Personal Property	Personal Property		Public Service Companies (4)	Total Taxable Assessed Value	Total Direct Tax Rate	Real Property	Assessed Value as a Percentage of Actual Value (2)
			Motor Vehicles	Other				Estimated Actual Taxable Value (1)	
2015 (3)	1,670,505,337	573,003,851	161,265,079	411,738,772	43,453,013	2,286,962,201	0.63	2,319,434,281	98.60%
2016	1,670,665,657	595,386,088	160,784,511	434,601,577	43,453,014	2,309,504,759	0.665	2,354,235,229	98.10%
2017	1,669,305,592	655,836,756	171,705,414	484,131,342	42,437,644	2,367,579,992	0.665	2,557,610,448	92.57%
2018	1,682,981,490	584,378,890	171,613,383	412,765,507	44,172,773	2,311,533,153	0.665	2,563,527,951	90.17%
2019	1,767,155,754	600,606,147	179,081,053	421,525,094	44,859,472	2,412,621,373	0.665	2,651,232,278	91.00%
2020	1,858,734,494	645,023,777	187,261,654	457,762,123	47,704,979	2,551,463,250	0.665	2,977,203,326	85.70%
2021	1,935,410,365	649,041,919	176,140,301	472,901,618	47,434,197	2,556,782,993	0.665	3,355,358,259	76.20%
2022	1,931,110,724	652,014,999	180,259,398	471,755,601	48,760,758	2,631,886,481	0.665	3,453,919,266	76.20%
2023	1,863,891,098	717,843,943	196,138,346	521,705,597	50,151,440	2,737,932,188	0.665	3,650,576,251	75.00%
2024	2,470,892,313	772,950,821	217,654,507	555,296,314	50,452,809	3,480,029,207	0.710	4,148,818,797	83.88%

Source: Randolph County Government

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

(1) The estimated market value for real property is calculated by dividing the assessed value by an assessment- to- sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year. The actual ratio for the most recent year is not yet available; an estimated ratio has been provided by the Randolph County Tax Department. Personal Property is valued annually

(2) The annual decline in the ratio of assessed value to estimated value of real estate results from the failure to recognize appreciating real estate values in years between revaluations. Personal property is revalued annually by the Randolph County Tax Department.

(3) Increase in Real Property Value due to property revaluation. Property in Randolph County (Asheboro) is reassessed every six years. Due to a one year delay, the reassessment was on January 1, 2014 and is the basis for fiscal 2015 taxes. The revaluation on January 1, 2023 and is the basis for fiscal 2024 taxes.

(4) Public Service companies valuations are provided by the North Carolina Department of Revenue. These amounts include real and personal property.

**CITY OF ASHEBORO, NORTH CAROLINA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
(property tax rates per \$100 assessed valuation)

Table 8

Fiscal Year	City Direct Rate	Overlapping Rates		Total
	Total City Rate	Total County Rate	Total School District	Direct & Overlapping Rates
2015	0.630	0.655	0.136	1.421
2016	0.665	0.655	0.136	1.456
2017	0.665	0.6525	0.136	1.454
2018	0.665	0.6525	0.136	1.454
2019	0.665	0.6525	0.136	1.454
2020	0.665	0.6327	0.136	1.434
2021	0.665	0.6327	0.136	1.434
2022	0.665	0.6327	0.136	1.434
2023	0.665	0.6327	0.136	1.434
2024	0.710	0.5000	0.136	1.346

Source: Randolph County Government

Note: The tax rate is a general operating tax rate with no earmarks for special components

**CITY OF ASHEBORO, NORTH CAROLINA**

Table 9

Principal Property Taxpayers

6-30-2024

Taxpayer	2024			2014		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
MOM Brands Company	160,229,470	1	4.60%	137,094,710	1	6.17%
Technimark, Inc.	144,564,122	2	4.15%	49,134,020	4	2.21%
Energizer Battery Co,	120,705,553	3	3.47%	103,375,372	2	4.65%
Starpet, Inc. & Starpet Subsidiary	74,785,227	4	2.15%	52,583,121	3	2.37%
Americal Healthcare Systems LLC	41,305,391	5	1.19%			
Kennametal	33,570,457	6	0.96%	20,887,354	8	0.94%
Duke Energy Progress Inc	30,263,275	7	0.87%			
Georgia Pacific Corrugated	29,687,061	8	0.85%			
Oliver Rubber Co.	25,093,951	9	0.72%			
Agree Portfolio LLC	17,217,810	10	0.49%			
Klaussner Furniture Industries				23,739,668	6	1.07%
Schwartz Properties LLC				27,111,712	5	1.22%
Arrow International				22,306,361	7	1.00%
JG Randolph II LLC				20,603,495	9	0.93%
Hyosung USA				16,082,401	10	0.72%
Totals	<u>\$ 677,422,317</u>		<u>19.47%</u>	<u>\$ 472,918,214</u>		<u>21.28%</u>

Total Assessed Value of Taxable Property    \$ 3,480,029,207

Source: Randolph County Finance Department

*Top Ten Assessments in Asheboro City 2023 for 2023-2024 Fiscal Year*

**CITY OF ASHEBORO, NORTH CAROLINA**Table 10**Property Tax Levies and Collections**

Last Ten Fiscal Years

Fiscal Year	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	14,436,674	14,384,830	99.64%	47,439	14,432,269	99.97%
2016	15,390,363	15,342,064	99.69%	43,107	15,385,171	99.97%
2017	15,887,444	15,839,229	99.70%	42,381	15,881,610	99.96%
2018	15,410,216	15,363,262	99.70%	33,745	15,397,007	99.91%
2019	16,043,932	15,992,966	99.68%	23,826	16,016,792	99.83%
2020	16,967,230	16,866,561	99.41%	63,171	16,929,732	99.78%
2021	17,002,607	16,930,430	99.58%	36,018	16,966,448	99.79%
2022	17,502,045	17,424,633	99.56%	40,503	17,465,136	99.79%
2023	18,207,249	18,135,218	99.60%	32,837	18,168,055	99.78%
2024	24,708,207	24,539,559	99.32%	-	24,539,559	99.32%



**CITY OF ASHEBORO, NORTH CAROLINA****Table 11****Ratios of Outstanding Debt by Type****Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Debt as Percentage of Personal Income <b>(1)</b>	Debt Per Capita <b>(1)</b>
	General Obligation Bonds	Installment Purchases	Notes Payable	General Obligation Bonds	Installment Purchases	Notes Payable			
2015	-	1,579,133	728,571	-	529,063	5,658,782	8,495,549	0.76%	330
2016	-	1,917,868	557,142	-	358,237	5,511,906	8,345,153	0.71%	324
2017	-	1,700,905	385,713	-	203,522	5,421,186	7,711,326	0.68%	299
2018	-	1,771,402	214,284	-	53,729	4,951,822	6,991,237	0.56%	269
2019	-	1,892,745	42,857	-	-	4,482,458	6,418,060	0.50%	249
2020	-	2,235,009	-	-	-	4,013,095	6,248,104	0.49%	242
2021	-	2,497,654	-	-	-	3,543,730	6,041,384	0.39%	222
2022	-	3,795,164	-	-	-	3,074,365	6,869,529	0.43%	250
2023	-	3,085,140	-	-	-	2,605,001	5,690,141	0.36%	207
2024	-	3,201,636	-	-	806,482	2,135,637	6,143,755	0.39%	224

NOTE: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**CITY OF ASHEBORO, NORTH CAROLINA**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Table 12

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Assessed Property Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2015	-	-	-	2,286,962,201	0.00%	0.00
2016	-	-	-	2,309,504,759	0.00%	0.00
2017	-	-	-	2,367,579,992	0.00%	0.00
2018	-	-	-	2,311,533,153	0.00%	0.00
2019	-	-	-	2,412,621,373	0.00%	0.00
2020	-	-	-	2,551,463,250	0.00%	0.00
2021	-	-	-	2,556,782,993	0.00%	0.00
2022	-	-	-	2,631,886,481	0.00%	0.00
2023	-	-	-	2,737,932,188	0.00%	0.00
2024	-	-	-	3,480,029,207	0.00%	0.00

NOTE: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

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

Table 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes: Randolph County	\$ 136,531,209	20.00%	\$ 27,310,563
Subtotal, overlapping debt			27,310,563
City of Asheboro direct debt			3,201,636
Total direct and overlapping debt			\$ 30,512,199

Sources: Assessed value data used to estimate applicable percentages provided by the Randolph County Government. Debt outstanding data provided by the Randolph County Government.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Asheboro. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated by determining the portion of Randolph County's taxable assessed value that is within the City's boundaries and dividing the City's valuation by the County's valuation.

**CITY OF ASHEBORO, NORTH CAROLINA**  
Legal Debt Margin Information  
 Last Ten Fiscal Years

Table 14

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 182,956,976	\$ 184,760,381	\$ 189,406,399	\$ 184,922,652	\$ 193,009,710	\$ 204,117,060	\$ 204,542,639	\$ 210,550,918	\$ 219,034,575	\$ 278,402,337
Total net debt applicable to limit	<u>2,108,196</u>	<u>2,276,105</u>	<u>1,904,427</u>	<u>1,825,132</u>	<u>1,892,745</u>	<u>2,235,009</u>	<u>2,497,654</u>	<u>3,795,164</u>	<u>3,085,140</u>	<u>4,008,118</u>
Legal debt margin	<u>\$ 180,848,780</u>	<u>\$ 182,484,276</u>	<u>\$ 187,501,972</u>	<u>\$ 183,097,520</u>	<u>\$ 191,116,965</u>	<u>\$ 201,882,051</u>	<u>\$ 202,044,985</u>	<u>\$ 206,755,754</u>	<u>\$ 215,949,435</u>	<u>\$ 274,394,219</u>
Total net debt applicable to the limit as a percentage of debt limit	1.15%	1.23%	1.01%	0.99%	0.98%	1.09%	1.22%	1.80%	1.41%	1.44%
Assessed Value										3,480,029,207
Debt Limit (8% of total assessed value)										<u>\$ 278,402,337</u>
Debt Applicable to Limit										
General Obligation Bonds										-
Installment Purchase Agreements										<u>4,008,118</u>
Total Net Debt Applicable to Limit										<u>4,008,118</u>
Legal Debt Margin										<u>\$ 274,394,219</u>

NOTE: Under state law, the City of Asheboro's outstanding general obligation debt should not exceed 8 percent of total assessed property value.

**CITY OF ASHEBORO, NORTH CAROLINA**  
**Demographic and Economic Statistics**  
Last Ten Fiscal Years

Table 15

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2015	25,761	1,113,287,376	43,216	40.5	4,723	5.30%
2016	25,761	1,183,434,579	45,939	41.1	4,648	4.90%
2017	25,761	1,138,816,527	44,207	41.5	4,594	3.90%
2018	25,993	1,257,333,396	48,372	41.5	4,606	2.80%
2019	25,791	1,292,877,039	50,129	41.7	4,485	3.50%
2020	25,850	1,262,746,650	48,849	41.7	4,490	5.90%
2021	27,191	1,552,279,808	57,088	41.7	4,505	3.60%
2022	27,473	1,594,450,501	58,037	41.8	4,428	3.90%
2023	27,472	1,594,392,464	58,037	41.4	4,362	3.60%
2024	27,472	1,594,392,464	58,037	41.4	4,407	3.20%

Source: (1) NC Department of Revenue

Source: (2) Federal Reserve Bank of St. Louis- FRED Economic Data

Source: (3) Federal Reserve Bank of St. Louis- FRED Economic Data

Source: (4) Asheboro City School Board- grades K-12

Source: (5) Bureau of Labor Statistics

**CITY OF ASHEBORO, NORTH CAROLINA**

Table 16

Principal Employers  
Current Year and Ten Years Ago

Employer	2024			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Technimark	1,500	1	5.66%	825	3	3.44%
Randolph Health	726	2	2.74%	1,195	1	4.98%
Asheboro City Schools	550	3	2.08%	661	4	2.76%
NC Zoological Park & Society	440	4	1.66%	330	10	1.38%
Energizer Battery	405	5	1.53%	500	6	2.08%
City of Asheboro	383	6	1.45%	330	9	1.38%
ORIGIN/Fox Apparell Inc	249	7	0.94%			
Post Consumer Brands	230	8	0.87%			
Bossong Hosiery	225	9	0.85%			
Oliver Rubber Company	195	10	0.74%			
Klaussner Furniture Industries				950	2	3.96%
Arrow International				643	5	2.68%
Acme McCrary				363	7	1.51%
Kayser Roth				350	8	1.46%
<hr/>						
Total	<u>4,903</u>		<u>18.51%</u>	<u>6,147</u>		<u>25.62%</u>

Population

Source: Randolph County Economic Development Commission

**CITY OF ASHEBORO, NORTH CAROLINA**  
**Full-time Equivalent City Government Employees by Function**  
Last Ten Fiscal Years

Table 17

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	28	35	36	37	37	37	37	39	40	40
Public safety:										
Police:										
Officers	90	73	75	74	74	97	88	77	92	81
Civilians	7	7	7	7	7	7	7	7	7	7
Fire:										
Firefighters and officers	49	52	50	53	53	62	56	60	64	64
Civilians	0	1	1	1	1	1	1	1	1	1
Inspections										
Building	2	2	1	1	1	1	1	2	3	3
Fire	3	2	2	2	2	3	3	2	3	3
Highways and streets:										
Engineering	4	3	3	3	3	5	4	4	5	5
Operations	13	14	13	10	10	12	13	13	13	13
Street Maintenance	20	18	18	17	17	20	22	21	25	24
Sanitation	19	17	14	15	15	15	17	15	17	16
Culture, Recreation, Facilities	91	75	80	39	39	62	64	82	97	95
Water	33	33	31	34	34	34	36	37	37	37
Sewer	37	36	37	35	35	33	32	37	42	47
Total	<u>396</u>	<u>368</u>	<u>367</u>	<u>328</u>	<u>328</u>	<u>389</u>	<u>380</u>	<u>397</u>	<u>446</u>	<u>436</u>

Source: Finance Office

**CITY OF ASHEBORO, NORTH CAROLINA**

Table 18

Operating Indicators by Function

Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Physical arrests	1,943	1,717	1,879	1,930	1,869	1,745	1,890	1,840	1,687	1,942
Parking violations	126	33	40	70	101	73	82	168	138	13
Traffic violations	4,030	3,458	6,426	6,743	6,583	5,610	4,753	7,290	7,240	9,157
Fire:										
Number of calls answered	2,450	2,535	2,469	2,760	3,759	3,912	2,844	4,739	5,058	4,634
Inspections	2,240	1,550	1,464	1,329	1,535	1,435	672	495	714	720
Highways and streets										
Street resurfacing (miles)	0.882	0.882	0.189	1.220	0.315	0.373	1.440	1.440	1.587	-
Leaf Collection Loads (Nov-June)	829	829	798	825	652	611				475
Leaf Collection Tons FY							4,829	4,595	3,943	2,949
Potholes, Patch, Sawouts, cap repairs	869	869	670	852	1,117	1,467	975	1,283	355	1,022
Sanitation										
Refuse collected (tons/wk)	55.32	70.25	70.25	70.17	72.62	70.62	129.82	162.49	158.36	289.26
Recyclables collected (tons/wk)	8.15	20.00	41.50	32.35	29.58	27.30	4.95	7.87	9.73	16.64
Yard Waste collected (tons/wk)	10.10	10.10	4.25	7.17	9.31	6.00	13.23	39.39	25.62	41.48
Culture and recreation										
Separate programs / events offered	178	203	247	324	445	558	232	347	431	653
Estimated number of program participants	67,323	73,708	87,869	89,921	86,997	73,295	48,831	51,470	73,520	94,709
Water										
New meter connections	10	23	75	79	26	58	98	105	152	143
Water mains breaks	90	68	67	108	83	96	101	127	156	43
Average daily consumption (MGD)	4.424	4.621	4.817	4.727	4.772	4.758	4.975	5.164	5.105	5.241
Wastewater										
Average daily sewage treatment (MGD)	3.466	3.900	3.553	3.454	4.556	3.888	4.202	3.587	3.741	3.594

Sources: Various government departments.

N/A: Data not available.



**CITY OF ASHEBORO, NORTH CAROLINA**

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Table 19

Function	Fiscal Year End									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety:										
Police:										
Main Station	1	1	1	1	1	1	1	1	1	1
Substation	1	1	1	1	1	1	1	1	1	1
Vice & Narcotic's Unit	1	1	1	1	1	1	1	1	1	1
Patrol units	72	72	75	96	96	96	136	136	136	136
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire Apparatus			13	13	13	13	14	14	14	14
Sanitation:										
Collection trucks	9.00	9.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Highways and streets:										
Streets (miles)	98.24	98.24	98.99	99.78	99.78	99.78	99.78	99.78	99.78	99.78
City Streetlights	3,182	3,182	3,182	3,190	3,190	3,190	3,190	3,190	3,190	3,190
Traffic signals	27	27	27	27	27	27	27	27	27	27
Airport:										
Number of operations per year (est.)	6,100	6,100	8,300	8,700	8,700	15,500	15,500	15,500	15,500	15,500
Aircraft storage capacity:										
Hangars	47	47	47	47	47	45	45	45	45	45
Tie Downs	38	38	38	38	38	39	39	39	39	39
Length of runway in feet	5,500	5,500	5,501	5,501	5,501	5,501	5,501	5,501	5,501	5,501
Total facility area - acreage	461.00	461.00	461.00	463.50	463.50	463.50	463.50	463.50	463.50	463.50
Culture and recreation:										
Parks acreage	103,220	103,220	103,220	103,220	103,220	103,302	103,302	103,302	103,302	103,386
Parks	11	11	11	11	11	12	12	12	12	13
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	11	11	11	11	11	11	11	11	11	11
City owned ballfields - acreage	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6
City maintained ballfields - acreage	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6
Water:										
Water mains (miles)	244.2	244.2	244.2	244.2	244.2	244.2	244.2	244.7	244.7	244.7
Fire hydrants (est.)	1,570	1,577	1,583	1,589	1,589	1,589	1,589	1,589	1,589	1,589
Maximum daily capacity (thousands of gallons)	12	12	12	12	12	12	12	12	12	12
Sewer:										
Sanitary sewers (miles)	219.4	219.7	222.3	222.6	222.6	235.8	235.8	235.9	235.9	235.9
Maximum daily treatment capacity (thousands of gallons)	9	9	9	9	9	9	9	9	9	9

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.

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## Compliance Section

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**CITY OF ASHEBORO,  
NORTH CAROLINA**

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

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Asheboro, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises City of Asheboro's basic financial statements, and have issued our report thereon dated January 22, 2025. Our report includes a reference to other auditors who audited the financial statements of the City of Asheboro ABC Board, as described in our report on the City of Asheboro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the City of Asheboro ABC Board were not audited in accordance with *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Asheboro'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 City of Asheboro'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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items [2024-001] that we consider to be a significant deficiency.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Asheboro's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2024-001].

#### City of Asheboro's Response to Findings

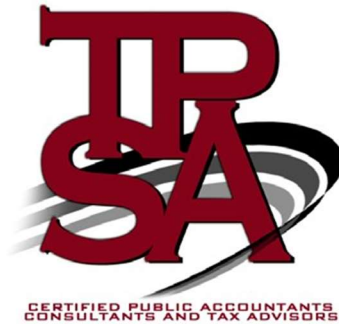
*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Asheboro's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures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

#### Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 22, 2025



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Gregory S. Adams, CPA

**Report On Compliance With Requirements Applicable To Each Major State  
Program And Internal Control Over Compliance In Accordance With  
OMB Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditors' Report**

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of Asheboro, North Carolina, compliance with the types of compliance requirements described 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 City of Asheboro's major State programs for the year ended June 30, 2024. City of Asheboro'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, City of Asheboro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 Asheboro 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 provides 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 Asheboro's compliance with the compliance requirements referred to above.

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### Responsibilities of Management for Compliance

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Asheboro'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, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Asheboro's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Asheboro'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 City of Asheboro'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, but not for the purpose of expressing an opinion on the effectiveness of City of Asheboro's internal control over compliance. Accordingly, no such opinion is expressed.

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

### Report on Internal Control Over Compliance

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or 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 and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 22, 2025

**City of Asheboro, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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

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Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified?     yes   X  no

Significant deficiency(ies) identified   X  yes     none reported

Noncompliance material to financial statements noted     yes   X  no

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

State Awards

Internal control over major State programs:

Material Weakness(es) identified?     yes   X  no

Significant Deficiency(s)     yes   X  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     yes   X  no

Identification of major State programs:

Program Name  
Powell Bill  
Project Hibernian/Wolfsped  
State Capital Infrastructure Funds - 10046

Dollar threshold used to determine State Major Programs \$   500,000  

Auditee qualified as low-risk auditee?   X  yes     no

**City of Asheboro, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

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**Section II – Financial Statement Findings**

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**Finding: 2024-001**

NONCOMPLIANCE/SIGNIFICANT DEFICIENCY

Criteria: In accordance with G.S. 159-30(c)(8), moneys may be invested in participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under this subsection (c) and that said fund is certified by the Local Government Commission.

Condition: During the year ended June 30, 2024, the City invested shares of a money market mutual fund which invests in obligations of the United States. This investment was not in a mutual fund certified by the North Carolina Local Government Commission as required by G.S. 159-30(c)(8).

Effect: The City was not in compliance with general statute.

Cause: The City was unaware at the time that investing in this particular mutual fund violated the statute.

Recommendation: The City should move these funds to a mutual fund approved by the North Carolina Local Government Commission.

Views of responsible officials and planned corrective actions: The City agrees with this finding, see corrective action plan.

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**Section III – State Award Findings and Questioned Costs**

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None Reported.



**City of Asheboro**  
146 North Church Street  
Post Office Box 1106  
Asheboro, North Carolina 27204-1106



**City of Asheboro, North Carolina  
Corrective Action Plan  
For the Year Ended June 30, 2024**

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**Section II – Financial Statement Findings**

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Finding: 2024-001

Name of Contact Person: Deborah P. Reaves

Corrective Action: During the year ended June 30, 2024, the City invested in shares of a money market mutual fund which invests in obligations of the United States. This investment was not in a mutual fund certified by the North Carolina Local Government Commission as required by G.S. 159-30(c)(8). As of June 30, 2024, the City still had funds in this investment. Subsequent to June 30, 2024, the City liquidated this investment and invested the proceeds directly into short-term U.S. treasuries.

Proposed Completion Date: Immediately.

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**Section III – State Award Findings and Questioned Costs**

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None Reported.

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**City of Asheboro, North Carolina**  
**Summary Schedule of Prior Year's Findings**  
**For the Year Ended June 30, 2024**

None reported.

**CITY OF ASHEBORO, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the Year Ended June 30, 2024

Grantor Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures
<b>FEDERAL AWARDS:</b>						
Cash Programs:						
U. S. Department of Transportation:						
Passed through N.C. Department of Transportation:						
Airport Improvement Program	20.106	36237.23.20.1	162,424	-	-	-
Total U.S. Department of Transportation			162,424	-	-	-
U.S. Department of Justice:						
Equitable Sharing Program	16.922		135,874	-	-	-
Total assistance - Federal programs			298,298	-	-	-
<b>STATE AWARDS:</b>						
Cash Programs:						
N.C. Department of Transportation:						
Powell Bill	N/A	32570		809,371	-	-
N.C. Dept. of Commerce:						
Project Hibernian/Wolfsped	N/A			839,285	-	-
Building Reuse Grant	N/A	2021-041-3201-2587		100,000		
N.C. Office of State Budget and Management:						
State Capital Infrastructure Funds	N/A	10043		1,260	-	-
State Capital Infrastructure Funds	N/A	10044		118,846	-	-
State Capital Infrastructure Funds	N/A	10041		136,587	-	-
State Capital Infrastructure Funds	N/A	10046		619,644	-	-
N.C. Office of State Budget and Management:						
Passed Through From Randolph County:						
Radio Equipment	N/A	20519		43,855		
N.C. Office of Natural and Cultural Resources:						
Parks and Recreation Trust Fund	N/A	2022-956		50,000	-	-
Total assistance - State programs			-	2,718,848	-	-
Total assistance			\$ 298,298	\$ 2,718,848	\$ -	\$ -

**CITY OF ASHEBORO, NORTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the Year Ended June 30, 2024

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

**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**

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