# CITY OF ASHEBORO, NORTH CAROLINA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year Ended June 30, 2022**

Prepared by:

Finance Department

Deborah P. Reaves
Finance Officer

CITY OF ASHEBORO, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

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# INTRODUCTORY SECTION

# City of Asheboro

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

The Mayor and the City Council
City of Asheboro
Asheboro, North Carolina

December 23, 2022

I am pleased to present the Annual Comprehensive Financial Report of the City of Asheboro, North Carolina, for the fiscal year ending June 30, 2022 for your approval. 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. These financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Huneycutt, Parsley & Taylor, CPAs, PLLC; and that firm's unmodified opinion is included in the Financial Section of this report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. 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.

The ***Annual Comprehensive Financial Report*** is presented in three sections: (1) Introductory, (2) Financial and (3) Statistical.

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, 2021, 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.

Finally, 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.

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

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**CITY PROFILE:**

The City of Asheboro has a population of 27,191 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 is 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 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 2021-2022, among these are Randolph County Economic Development Commission, Randolph County Senior Adults Center, Ash-Rand Rescue, Randolph County Arts Guild, Family Crisis Center, the Boys and Girls Club, Randolph County Chamber of Commerce, Downtown Asheboro Inc, RhinoLeap LLC, Village of Barnabus Initiative, 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 on the basis of 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 of 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 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 insure 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 large banking and professional services sector, heath 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. During the 2019-2020 fiscal year, the overall environment was disrupted by Covid-19. Unemployment, as of October 2020, was at 5.90%. The City has adjusted and now, as of October 2022, unemployment was at 3.9%. Property Tax collections on the current year tax levy for fiscal year end June 30, 2022, was $17,424,633 in comparison to $16,930,430 in the prior year. Sales tax revenue in 2021-2022 was $8,995,765 in comparison to the 2020-2021 amount of $7,632,784, a 17.86% 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.

In an effort to support the medical services sector in Asheboro, the City of Asheboro invested in the expansion of Randolph Hospital (now known as Randolph Health) to build a new 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 impatient 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 the area of coverage and reimbursements but how medicine is delivered. Rural health systems like Randolph Health have struggled to keep their doors open. Over the past year, the City of Asheboro and Randolph County has worked diligently to support Randolph Health as they have gone through restructuring and acquisition by American Healthcare Systems LLC. This acquisition preserves jobs and secures 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 work force is always an important issue. The area has two primary public schools, Randolph County Schools and Asheboro City Schools as well as several Charter Schools. Randolph Community College (RCC) continues to enhance and expand its Early College High School program currently run out of the rehabilitated old Klaussner manufacturing facility next to its campus. Additionally, in January 2013, the college opened a new LEED certified training center. These programs and others have been an enormous boost to the RCC campus. The commitment of area 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 2020. 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. The City Council continues to work for and support 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 asses 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 are able to 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 December 2019, the renovation of the Acme McCrary gym was completed and Asheboro opened its Asheboro Recreation Facility. It was a two year long project where city crews have made major progress restoring the old pool, renovating the gymnasium and redoing the different auxiliary rooms they'll use for various amenities. It offers athletic activities, aquatic activities, a variety of fitness opportunities and fitness classes and as well as a variety of social activities, cooking classes etc. It is the first and only recreation center run by the city located in the heart of downtown Asheboro. The Recreation Center complements the YMCA, which is on the other side of the City, and keeps people downtown. In the 2021 fiscal year, the City remodeled an old bank office to be a police substation on the north side of town. In addition, in 2021-2022, the City continued the construction of multipurpose athletic park, Zoo City SportsPlex, and began the renovation of the historic McCrary Ballpark. The City hopes that both facilities will be open for play in Spring 2023. Fields can be used for City / YMCA 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, 2022, there is only an estimated 8.13 miles of old galvanized pipe remaining to be replaced. Additionally, the water and sewer maintenance department is systematically updating our technology in the ground by replacing old analog meters with radio read meters. All residences now have radio read meter technology as well as most businesses / industries.

Community appearance is another priority for the City of Asheboro. The City refurbished Sunset Avenue business district adding trees and extending the sidewalks. The Farmer's Market was completed in 2006-2007 fiscal year. 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. Mayor Jarrell began a tree planting initiative which resulted in the creation of the "Mayor's Grove" at North Asheboro Park and has continued with the strategic plantings of trees in the medians along various major and minor thoroughfares. A focus on promoting community appearance also continues with the Mayor's community cleanup days and the future 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.

In recognition for its efforts in Community appearance and preservation, the City of Asheboro is one of the Preserve America Communities receiving designation letters from First Lady of the United States Michelle Obama, joining a total of 843 communities nationwide to have received this designation. Preserve America is a federal initiative that encourages and supports community efforts to preserve and enjoy our priceless cultural and natural heritage. The goals of the program include a greater shared knowledge about the nation's past, strengthened regional identities and local pride, increased local participation in preserving the country's cultural and natural heritage assets, and support for the economic vitality of our communities. Preserve America is administered by the Advisory Council on Historic Preservation with assistance from the U.S. Department of the Interior.

Expanding on the goals of the Preserve America program to create a greater shared knowledge in our cultural heritage, in August 2013, the City of Asheboro built and installed a monument downtown Asheboro to commemorate the Civil Rights movement and the "sit in" that was held at a local restaurant in January 1964. Additionally, in September 2013, the renovation of the historical Sunset Theatre located in downtown Asheboro was completed. The Theatre is now open to the public in a restored state allowing citizens to enjoy movies and live theatre in an environment that retains the feel and look of its origins in the early to mid 1900's.

Improvements to the airport continue to be made. In 2016, the City finished a complete remodel / modernization of the existing terminal building at the airport along with the completion of grading for an additional hangar sites on the south end of the runway. In 2017-2018, a full depth rebuild of Apron #1 was completed using Division of Aviation Funds, and additional properties were purchased adjacent to the airport using Non-Primary Entitlement funding. Over the past few years, with federal funds, the City has been overseeing a lighting rehab project at the Airport. Construction of a new airport terminal building is currently in the design phase and if federal funding becomes available, may enter into the construction phase in 2022-2023.

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. From a business perspective, the City has put the COVID-19 pandemic closure environment behind it. Businesses and city functions have completely reopened and required social distancing are in the past. During these challenging times for local businesses, the City has continued its partnership with Downtown Asheboro LLC to develop an environment where conversation moves freely among the business owners and the City in an effort to set an atmosphere which allows continued growth for the downtown businesses. Additionally, the City continues to working closely with Randolph County and the Chamber of Commerce to develop programs and run operations in a manner that will mitigate illness.

The budget for fiscal year 2021-2022 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 2022-2023 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 at June 30, 2022 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 2022-2023. Interest earned on General Fund investments and Water and Sewer Fund investments combined continue to be low due to the continued low interest rate environment. This reduction has had an impact on the annual budget and the loss of this revenue has required management to rely on other revenue sources for operation and continue to hold off on various small "wish list" projects until the economy turns around. We continue to try to maximize the return on the tax and utility dollars paid by the citizens of Asheboro to have those resources available to support operations.

**RISK AND INSURANCE MANAGEMENT:**

The City participates in an insurance poo1 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 Medcost, 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, 2022, 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 2022, there were no installment purchase contracts for the water & sewer fund and the installment purchase contracts for the governmental type activities was $3,795,164.

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, 2022, the total notes payable balance for the water & sewer fund was $3,074,366 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 grading for Zoo City Sportsplex is complete, the installation of field turf for main fields 1 and 2 is complete and installation of field turf for fields 2-5 is underway and discussion is ongoing about the development of the David & Pauline Jarrell Center City Garden. The City has also invested in the renovation of the McCrary Ballpark with partners in the private sector. 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. 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 auditor's report is included as a part of these financial statements.

**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 comprehensive annual financial report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such 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.

**ACKNOWLEDGMENTS**

The compilation of certain information presented in the statistical section of this document would not have been possible without the assistance of the staff of the Randolph County Finance Office and the Randolph County Tax Department. The certified public accounting firm of Huneycutt, Parsley & Taylor, CPAs, PLLC offered valuable advice on the form and content of much of the special information required to qualify this document for consideration by the Government Finance Officers Association for their Certificate of Achievement for Excellence in Financial Reporting Award. We greatly appreciate the assistance of these organizations.

We also appreciate the support of the City Council in granting us the time and funding to generate this document.

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**

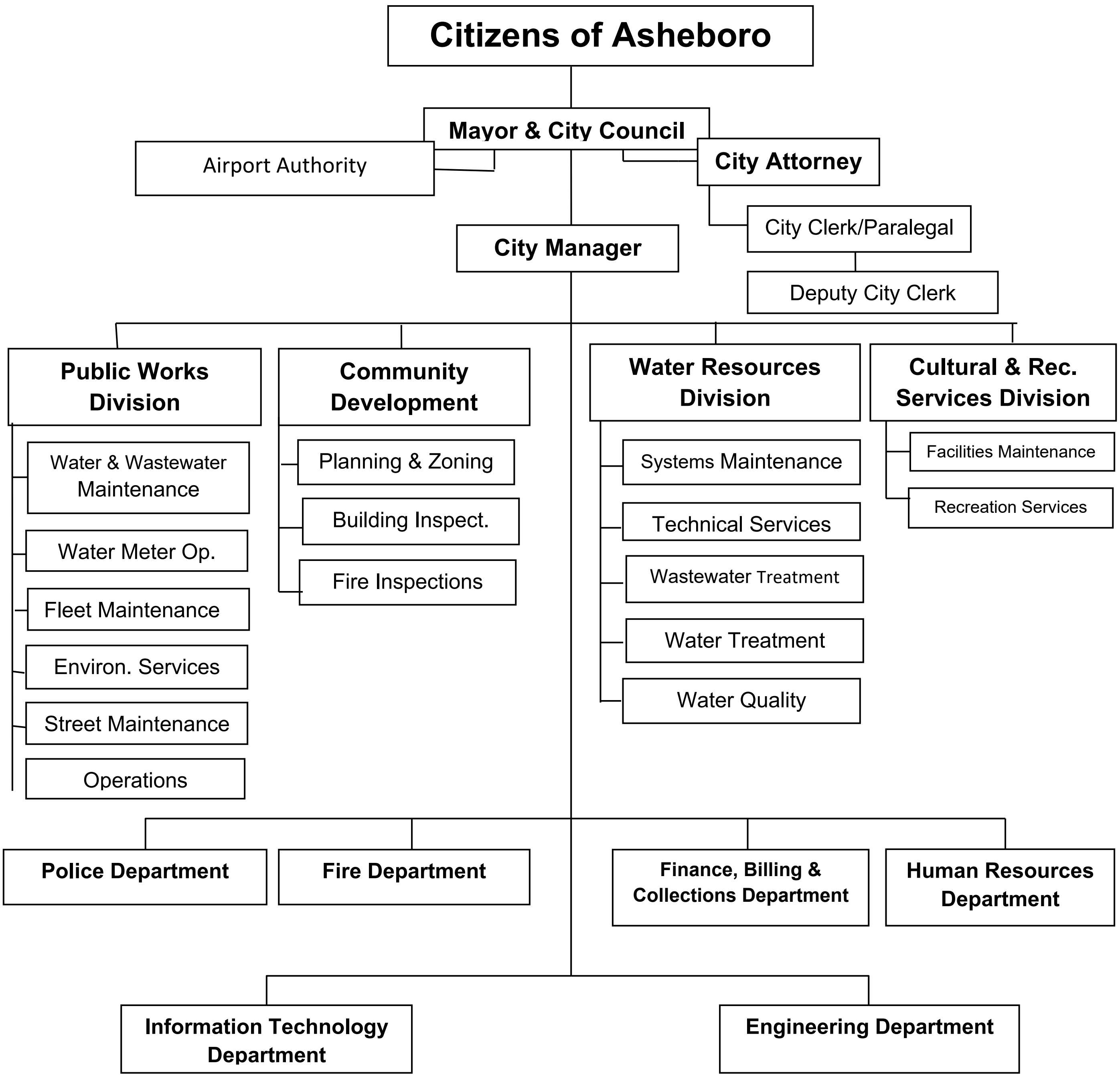
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

# Organizational Chart
# City Divisions & Departments



CITY OF ASHEBORO, NORTH CAROLINA

LIST OF PRINCIPAL OFFICERS

June 30, 2022

| 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 | Jane Redding |
| 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 / Board of Adjustment Chair | Michael O'Kelley |
| Community Appearance Chair | Kelly Heath |
| City Clerk | Holly Doerr |
| Finance Officer | Deborah Reaves |
| Planning and Zoning Director | Trevor Nuttall |
| Police Chief | Mark Lineberry |
| 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 | Todd Stout |
| Public Works Director | David Hutchins |
| Public Services Director | R. Barry Hamilton |
| Human Resources Director | P. Douglas Kemp, Jr. |
| Recreation Services Director | Jonathan 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 | Bernadine Wardlaw |

# FINANCIAL SECTION

HUNEYCUTT, PARSLEY & TAYLOR
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Mayor and the City Council
City of Asheboro
Asheboro, North Carolina

**Report on the Audit of Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Asheboro, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Asheboro's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Asheboro, North Carolina, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 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 *Governmental Auditing Standards*, issued by the Comptroller 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 other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the City of Asheboro ABC Board were not audited in accordance with *Government 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 currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Governmental Auditing Standards,* we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of 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 identified during the audit.

***Required Supplementary Information***
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance's Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll and the Changes in Total OPEB Liability and Related Ratios and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Asheboro, North Carolina. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2022, 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 grant agreements and other matters. The purpose of that 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 the effectiveness the City of Asheboro's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Asheboro's internal control over financial reporting and compliance.

Huneycutt, Parsley & Taylor, CPAs, PLLC

December 23, 2022

Huneycutt, Parsley & Taylor, CPAs, PLLC
Asheboro, North Carolina

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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, 2022. 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

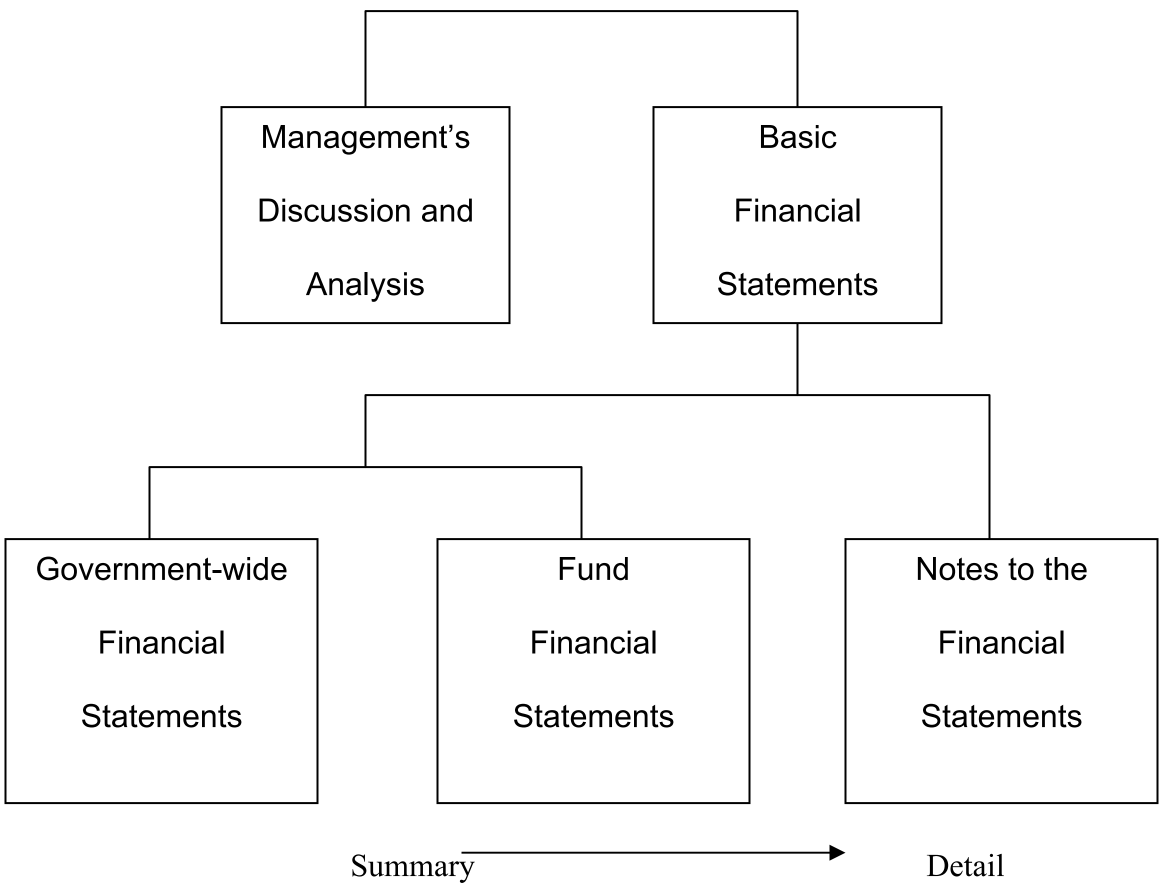
- The assets and deferred outflows of resources of the City of Asheboro exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $79,303,415 *(net position).*
- Governmental activities net position increased by $2,376,859. A contributing factor to this net position increase in an increase in total revenues of $3,778,410 in relation to the increase in total expenses of $866,788. The increase in revenues is significantly related to an increase in capital grants and contributions relating to culture and recreation activities for the Zoo City Sportsplex and the McCrary Ballpark renovation. The increase in that area over last year is $1,416,122. Increases in property tax revenue and other taxes also impacted the change in net positon.
- Business type net position decreased by $1,327,041. Contributing factors to this decrease was a decrease in cash associated with maintenance on its aging plants and an increase in liabilities as the City started paying back debt with the State of North Carolina obtained for a drinking water filtration system.
- As of the close of the current fiscal year, the City of Asheboro's governmental funds reported combined ending fund balances of $24,996,007 with a net decrease of $329,790. Approximately 34% percent of this total amount, or $8,412,562, is non spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $14,254,788 or 39% of total general fund expenditures and transfers out for the fiscal year.
- The City continues to invest in the development of a new multipurpose sports complex called the Zoo City Sportsplex with an overall June 30, 2022 investment to date of $7,275,355 contributed from the General Operating Fund. Due to supply chain issues, the project has slowed but the City anticipates four fields being open for play spring 2023.
- The City has started investing in the renovation of the McCrary Ballpark with an overall June 30, 2022 investment to date of $1,597,000 contributed from the General Operating Fund. The City has also received individual donations to this project in the amount of $1,100,164. This project is also impacted by supply chain issues but the City anticipates the ballpark being reopened summer 2023.
- Sales tax revenue increased by $1,395,980 showing improving economic conditions over prior year.
- The City of Asheboro's overall debt increased by $828,146 during the current fiscal year. Governmental activities net debt increased by $1,297,510 due to issuance of new debt for equipment and Business type activities net debt decreased by $469,364 due water sewer debt retirement.
- 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 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.

Required Components of Annual Financial Report

**Figure 1**



**Basic Financial Statements**

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

The next statements (Exhibits 3 through 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.

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 of the funds of 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 governments near-term financing requirements.

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 more or less 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 twelve 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 two other major governmental funds. Data from the nine 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 in the combining and individual fund statements and schedules section of this report (schedule 2 & 3).

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 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 24 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 25 through 27 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 28 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 68 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 | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | | 2022 | 2021 | | 2022 | 2021 |
| Current and other assets | $ 36,378,920 | $ 29,844,574 | | $ 14,345,784 | $ 15,009,871 | | $ 50,724,704 | $ 44,854,445 |
| Capital assets | 36,016,693 | 30,155,034 | | 38,588,859 | 39,981,073 | | 74,605,552 | 70,136,107 |
| Total assets | 72,395,613 | 59,999,608 | | 52,934,643 | 54,990,944 | | 125,330,256 | 114,990,552 |
| Deferred outflow of resources | 12,878,579 | 12,912,111 | | 3,822,408 | 3,809,947 | | 16,700,987 | 16,722,058 |
| Long-term liabilitites outstanding | 32,194,390 | 33,191,807 | | 10,213,306 | 11,443,840 | | 42,407,696 | 44,635,647 |
| Other liabilities | 12,615,701 | 5,570,202 | | 1,999,315 | 2,765,918 | | 14,615,016 | 8,336,120 |
| Total liabilities | 44,810,091 | 38,762,009 | | 12,212,621 | 14,209,758 | | 57,022,712 | 52,971,767 |
| Deferred inflow of resources | 4,317,934 | 380,402 | | 1,497,297 | 106,844 | | 5,815,231 | 487,246 |
| Net Position: | | | | | | | | |
| Net Investment in Capital Assets | 32,218,892 | 27,654,745 | | 35,514,494 | 36,437,299 | | 67,733,386 | 64,092,044 |
| Restricted | 9,443,503 | 7,206,941 | | - | - | | 9,443,503 | 7,206,941 |
| Unrestricted | (5,516,228) | (1,092,378) | | 7,642,754 | 8,046,990 | | 2,126,526 | 6,954,612 |
| Total net position | $ 36,146,167 | $ 33,769,308 | | $ 43,157,248 | $ 44,484,289 | | $ 79,303,415 | $ 78,253,597 |

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 $79,303,415 at the close of the 2022 fiscal year. The City's net position increased by $1,049,818 for the fiscal year ended June 30, 2022.

By far, the largest portion of the City of Asheboro's net position (85.41%) 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 $4,469,445 for the fiscal year ended June 30, 2022. Governmental activities capital assets increased by $5,861,659 due to purchases of equipment and investment in capital projects and business activities capital assets decreased by $1,392,214 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.

An additional portion of the City of Asheboro's net position (11.91%) or $9,443,503 represents resources that are subject to external restrictions on how they may be used. The remaining balance of $2,126,526 is unrestricted. These funds can be used to meet the government's ongoing obligations to its citizens and creditors without constraints established by debt covenants or other legal requirements.

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 99.56%
- ABC Profit Distribution of $580,000, an increase in 25.81%.

- A 17.85% increase in local option sales tax revenues, a dollar increase of approximately $1,362,981 showing growing economic diversity and strength coming out of the COVID-19 pandemic environment
- 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 Activites | | Total | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | $ 2,750,220 | $ 2,522,363 | $ 12,872,793 | $ 12,424,438 | $ 15,623,013 | $ 14,946,801 |
| Operating grants and contributions | 984,317 | 1,215,358 | 150,000 | - | 1,134,317 | 1,215,358 |
| Capital grants and contributions | 1,942,598 | 526,476 | - | - | 1,942,598 | 526,476 |
| General revenues | | | | | | |
| Property taxes | 17,818,800 | 17,278,284 | - | - | 17,818,800 | 17,278,284 |
| Other taxes | 11,669,147 | 10,268,614 | - | - | 11,669,147 | 10,268,614 |
| Grants and contributions not | | | | | | - |
| restricted to specific programs | - | - | - | - | - | - |
| Other | 1,206,995 | 782,572 | 422,809 | 217,703 | 1,629,804 | 1,000,275 |
| Total revenues | 36,372,077 | 32,593,667 | 13,445,602 | 12,642,141 | 49,817,679 | 45,235,808 |
| Expenses | | | | | | |
| General government | 4,531,206 | 4,073,165 | - | - | 4,531,206 | 4,073,165 |
| Public safety | 16,960,337 | 17,118,035 | - | - | 16,960,337 | 17,118,035 |
| Transportation | 5,041,946 | 4,964,157 | - | - | 5,041,946 | 4,964,157 |
| Environmental Protection | 2,100,548 | 2,073,684 | - | - | 2,100,548 | 2,073,684 |
| Cultural and recreational | 4,883,645 | 4,614,378 | - | - | 4,883,645 | 4,614,378 |
| Economic development | 759,031 | 561,473 | - | - | 759,031 | 561,473 |
| Interest on long-term debt | 39,295 | 44,328 | - | - | 39,295 | 44,328 |
| Water and sewer | - | - | 14,451,853 | 14,921,002 | 14,451,853 | 14,921,002 |
| Total expenses | 34,316,008 | 33,449,220 | 14,451,853 | 14,921,002 | 48,767,861 | 48,370,222 |
| Change in net position before transfers | 2,056,069 | (855,553) | (1,006,251) | (2,278,861) | 1,049,818 | (3,134,414) |
| Transfers | 320,790 | - | (320,790) | - | - | - |
| Change in Net Position | 2,376,859 | (855,553) | (1,327,041) | (2,278,861) | 1,049,818 | (3,134,414) |
| Net Position, Beginning of Year, Previously Reported | 33,769,308 | 34,624,861 | 44,484,289 | 46,763,150 | 78,253,597 | 81,388,011 |
| Net position, June 30 | $ 36,146,167 | $ 33,769,308 | $ 43,157,248 | $ 44,484,289 | $ 79,303,415 | $ (3,134,414) |

**Governmental activities**. During the current fiscal year, net position for governmental activities increased by $2,376,859 for an ending balance of $36,146,167. The increase in net position was the result of an increase in total revenues of $3,778,410 in relation to the increase in total expenses of $866,788. The increase in revenues is significantly related to an increase in capital grants and contributions relating to culture and recreation activities for the Zoo City Sportsplex and the McCrary Ballpark renovation. The increase in that area over last year is $1,416,122. Increases in property tax revenue and other taxes also impacted the change in net positon.

The 2021-2022 post COVID environment had an impact on operating expenses related cost increases associated with supply chain issues. 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 to 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 $36,372,077 and operating expenses of $34,316,008.
- Total governmental activities revenue increased by $3,788,410. The most significant amount of this increase is attributable to the increase of $1,416,122 in capital grants and contributions and $1,362,981 in sales tax revenue.
- Total governmental activities expenses increased by $866,788 with the largest increases in the areas of general government, cultural and recreation activities and economic development activities. 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 as we pull out of the Covid 19 environment.
- The City continues to focus on maintenance and repair of all existing equipment to extend the life of its equipment, so that large ticket purchases for garbage trucks and fire trucks do not occur each year,
- The City has continued its investment in the construction of Zoo City Sportsplex, a multipurpose athletic facility that will draw traveling sports teams and tourism to Asheboro / Randolph County.
- The City has started the renovation of the historic McCrary Ballpark that already draw traveling sports teams and tourism to Asheboro / Randolph County.
- 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 net position decreased by $1,327,041 in the fiscal year ending June 30, 2022 in comparison to the prior year net position decrease of $2,278,861. While operating revenues increased in relation to 2021 as operations got back to normal post Covid 19 and operating expenses decreased in comparison, the cost to operate facilities with aging infrastructure remains higher than the revenue generated by the current rate structure.

The implementation of GASB Statement No. 75, focusing on OPEB liability, has had 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, 2022, measured as of June 30, 2021 is $27,334,396. $20,908,866 of this liability is in the governmental funds. There are 476 total active and retirees on the City of Asheboro plan.

**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 particular purposes by the City of Asheboro's council.

For fiscal year end June 30, 2022, the City of Asheboro has three major funds, the General Operating Fund, the American Rescue Plan Act 2021 Fund and the State Capital Infrastructure Fund. The major fund balances combined were $21,439,370 and the non-major governmental fund balance was $3,556,637. As of June 30, 2022, the City of Asheboro's governmental funds reported total fund balance of $24,996,007 a net decrease of $329,790 or 0.13% in comparison with the prior year. Approximately 57.03% of the combined fund balance or $14,254,788 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 ($1,297,716), 2) legally required to be maintained intact by state statute ($4,349,638), 3) restricted for particular purposes ($2,735,208), or 3) committed for particular purposes ($2,328,657) or assigned for subsequent year's expenditures ($0).

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 $14,313,574 was in the General Fund and its total fund balance reached $21,439,370. The fund balance in the General Fund decreased by $329,790. An increase in use of fund balance to support activities in special revenue and project funds are factors that attribute to the decrease in fund balance. The use of fund balance for fiscal year end 2022 is $4,626,593 in comparison to $521,200 for fiscal year end 2021

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 40% 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 2021-2022 was adopted on June 22, 2021 at $34,647,069. The General Fund was amended during the year to a final adopted budget of $39,333,562. The increases to the budget are related fund balance appropriations for Zoo City Sportsplex and McCrary Ballpark Renovation capital projects and the Economic and Tourism Development special revenue fund. The transfers to the capital projects are Zoo City Sportsplex of $2,414,355 and McCrary Ballpark of $1,597,000. The transfer to the Economic and Tourism special revenue fund is $586,000. Although there were significant increases 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 $36,489,787.

**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 $7,642,754. The change in net position for the Water and Sewer Fund was a decrease of $1,327,041, primarily due to costs associated with maintenance and repair and replacement of aging plant equipment.

Implementation of GASB 87, Leases, impacted the proprietary fund resulting the in the recording of several leases receivable and deferred inflow of resources with no change in beginning net position. The deferred inflows relating to the leases was $211,570. The City also recognized $119,016 of lease revenue and $6,787 of interest revenue under all four leases recorded.

## 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, 2022 totals $180,013,810. 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 $5,861,659 in governmental activities capital assets. Part of this $5.8 M is an increase in excess of $6.6M in construction in progress. Some of the major transactions that are included in the $6.6M noted above are $3,562,413 for an addition to construction in progress for Zoo City Sportsplex, $2,278,871 for an addition to construction in progress for the McCrary Ballpark Renovation.
- A decrease of $1,392,215 in the area of business type capital assets resulting mostly from the depreciation of Buildings and Plant and Distribution system assets.

## City of Asheboro's Capital Assets

(net of depreciation)

**Figure 4**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | $ 5,429,073 | $ 5,429,073 | $ 3,242,682 | $ 3,242,682 | $ 8,671,755 | $ 8,671,755 |
| Buildings | 7,940,523 | 8,067,532 | 10,761,240 | 11,418,543 | 18,701,763 | 19,486,075 |
| Improvements other than buildings | 2,914,043 | 3,427,365 | 5,597 | 9,525 | 2,919,640 | 3,436,890 |
| Plant and distribution systems | | | 21,809,467 | 22,675,357 | 21,809,467 | 22,675,357 |
| Street construction | 3,640,818 | 3,964,749 | | | 3,640,818 | 3,964,749 |
| Equipment | 1,739,779 | 1,309,531 | 2,436,284 | 2,311,610 | 4,176,063 | 3,621,141 |
| Vehicles | 4,266,990 | 4,488,087 | 333,588 | 322,550 | 4,600,578 | 4,810,637 |
| Construction in progress | 10,085,467 | 3,468,697 | - | 806 | 10,085,467 | 3,469,503 |
| Total | $ 36,016,693 | $ 30,155,034 | $ 38,588,858 | $ 39,981,073 | $ 74,605,551 | $ 70,136,107 |

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.

**Long-term Debt:** As of June 30, 2022, the City of Asheboro had no bonded debt outstanding. The installment purchase debt of $3,795,164 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 | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Direct Placement: | | | | | | |
| Installment Purchases | 3,795,164 | 2,497,654 | $ - | $ - | $ 3,795,164 | $ 2,497,654 |
| Notes payable | - | - | - | - | - | - |
| Direct Borrowing: | | | | | | |
| Notes payable | - | - | 3,074,366 | 3,543,730 | 3,074,366 | 3,543,730 |
| Compensated absences | 2,142,789 | 1,845,507 | 409,139 | 364,894 | 2,551,928 | 2,210,401 |
| OPEB | 20,908,866 | 19,318,394 | 6,425,530 | 6,042,381 | 27,334,396 | 25,360,775 |
| Pension Related Debt- LGERS | 2,659,321 | 6,465,952 | 1,035,418 | 2,196,032 | 3,694,739 | 8,661,984 |
| Pension Realted Debt - LEO | 4,876,418 | 5,087,023 | - | - | 4,876,418 | 5,087,023 |
| Total | $34,382,558 | $ 35,214,530 | $10,944,453 | $12,147,037 | $45,327,011 | $47,361,567 |

The City of Asheboro's total outstanding long-term debt increased by $828,146 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 a net increase in governmental activities installment purchase obligations of $1,297,510. The City's general obligation debt was retired in 2014.

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, 2022, the legal debt margin for City of Asheboro is $206,755,754.

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 October 2022 of 3.90% in comparison to last year of 3.60%. By comparison, the State of North Carolina unemployment rate is 3.9% in comparison to 3.7% last year.
- Growth, as measured by tax valuation increased 2.94%. Property valuation increased by $75,103,488. A majority of this increase is attributable to discoveries in current year taxes that increased the original valuation.
- Growth, as measured by sales tax revenue has increased 17.86%% over the prior fiscal year.
- While operationally the City of Asheboro and its citizens and businesses have adapted to the initial impact of COVID-19, some of the challenges remain. Unemployment is down due to a number of new small businesses that have been born out of the COVID-19 employee displacements. 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.
- On the Business Type Activities side of the City's operations, customers are still struggling with maintaining their utility accounts post COVID. With federal funding for utility support, many of the citizens who are still facing hardships are being given some relief.
- The City of Asheboro Zoo City Sportsplex is in its final stage of construction. The City hopes the fields will be ready for play in 2023. Additionally, the City has partnered with private entities in the renovation of the City of Asheboro McCrary Baseball Park. Both of these 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, 2023**

**Governmental Activities:** No tax increase was recommended for adoption for the 2022-2023 operating year. The tax rate remains as $0.665 per $100 valuation. The last property revaluation was January 2019. There were no recommended changes to the fee structure for the City of Asheboro.

Budgeted expenditures in the General Fund are appropriated at $42,263,842. 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 2021-2022 budget. In the post COVID environment, the City has had 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 approved a two job grade reclassification in the pay plan for all employees and implemented an additional 6% COLA payment for law enforcement officers. The City hopes this significant investment in its personnel will improve retention and spur interest of qualified individuals in open positons, particularly in the police department where there are a significant number of unfilled positions. Other expenditures included are an appropriation of $2,674,019 to the Zoo City Sportsplex Capital project, required government 10% matches to 90% grant awards and capital outlay for equipment in various departments. Budgeted revenues include a use of $8,267,010 ARPA funds for allowable general fund operating costs in addition to lease purchase financing in the amount of $358,631. Some of the intended use of this fund balance appropriation are for uses in the areas of public safety, community development and building maintenance and improvement.

**Business – type Activities:** A water and sewer rates were changed for 2022-2023. The minimum inside city limits water rate is $15.58 with a consumption factor of $3.07 per 100 CF. The minimum inside city limits sewer rate is $23.37 with a consumption factor of $4.60 per 100 CF. General operating expenses are budgeted at $18,943,380. Included in the revenues is DWSRF loan proceeds of $2,705,240 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 step job grade reclassification in the pay plan for all employees. There is no appropriation of retained earnings in the June 28, 2022 adopted budget for 2022-2023.

## 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, 2022

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | City of Asheboro ABC Board |
| **Assets:** | | | | |
| Cash and Cash Equivalents | $ 17,051,960 | $ 10,247,793 | $ 27,299,753 | $ 1,049,531 |
| Receivables: | | | | |
| Taxes Receivable - Net | 151,635 | - | 151,635 | - |
| Accounts Receivable | 179,336 | 2,207,170 | 2,386,506 | - |
| Leases Receivable | - | 115,780 | 115,780 | - |
| Due From Other Governments | 3,834,486 | 12 | 3,834,498 | - |
| Notes Receivable | 964,916 | 88,890 | 1,053,806 | - |
| Inventories | 520,043 | 1,041,917 | 1,561,960 | 457,497 |
| Deferred Charge - Future Revenues | 313,998 | - | 313,998 | - |
| Prepaid Expenses | - | - | - | 9,897 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 13,187,901 | 644,222 | 13,832,123 | - |
| Due From Other Governments | 174,645 | - | 174,645 | - |
| Total Current Assets | 36,378,920 | 14,345,784 | 50,724,704 | 1,516,925 |
| Noncurrent Assets: | | | | |
| Leases Receivable - Non-Current | - | 110,115 | 110,115 | - |
| Capital Assets: | | | | |
| Land, and Construction in Progress | 15,514,540 | 3,242,683 | 18,757,223 | - |
| Other Capital Assets, Net of Depreciation | 20,502,153 | 35,346,176 | 55,848,329 | 72,322 |
| Total Capital Assets | 36,016,693 | 38,588,859 | 74,605,552 | 72,322 |
| Deposits | - | - | - | 110 |
| Total Non-current Assets | 36,016,693 | 38,698,974 | 74,715,667 | 72,432 |
| **Total Assets** | 72,395,613 | 53,044,758 | 125,440,371 | 1,589,357 |
| **Deferred Outflows of Resources** | 12,878,579 | 3,822,408 | 16,700,987 | 3,072 |
| **Liabilities:** | | | | |
| Accounts Payable and Accrued Liabilities | 1,939,545 | 460,304 | 2,399,849 | 388,904 |
| Deposits | 37,370 | 644,222 | 681,592 | - |
| Payable From Restricted Assets | 907,496 | - | 907,496 | - |
| Retainage Payable | 141,903 | - | 141,903 | - |
| Unearned Revenues | 7,401,219 | 154,610 | 7,555,829 | - |
| Accrued Interest Payable | - | 9,033 | 9,033 | - |
| Due to Primary Government | - | - | - | 19,433 |
| Current Portion of Long-Term Liabilities | 2,188,168 | 731,146 | 2,919,314 | - |
| Total Current Liabilities | 12,615,701 | 1,999,315 | 14,615,016 | 408,337 |
| Long-Term Liabilities: | | | | |
| Net Pension Liability | 2,659,321 | 1,035,418 | 3,694,739 | 39,260 |
| Total Pension Liability | 4,876,418 | - | 4,876,418 | - |
| Total OPEB Liability | 20,908,866 | 6,425,530 | 27,334,396 | - |
| Due in More Than One Year | 3,749,785 | 2,752,358 | 6,502,143 | - |
| Total Long-Term Liabilities | 32,194,390 | 10,213,306 | 42,407,696 | 39,260 |
| **Total Liabilities** | 44,810,091 | 12,212,621 | 57,022,712 | 447,597 |
| **Deferred Inflows of Resources** | 4,317,934 | 1,497,297 | 5,815,231 | 56,091 |
| **Net Position:** | | | | |
| Net Investment in Capital Assets | 32,218,892 | 35,514,494 | 67,733,386 | 72,322 |
| Restricted For: | | | | |
| Stabilization by State Statute | 4,349,638 | - | 4,349,638 | - |
| Economic Development | 577,003 | - | 577,003 | - |
| Capital Projects | 2,446,857 | - | 2,446,857 | 327,078 |
| Unspent Debt Proceeds | 2,070,005 | - | 2,070,005 | - |
| Working Capital | - | - | - | 162,966 |
| Unrestricted | (5,516,228) | 7,642,754 | 2,126,526 | 526,375 |
| **Total Net Position** | $ 36,146,167 | $ 43,157,248 | $ 79,303,415 | $ 1,088,741 |

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

**CITY OF ASHEBORO, NORTH CAROLINA**

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | |
| **Functions/Programs** | Expenses | Charges For Services | Operating Grants And Contributions | Capital Grants And Contributions | Governmental Activities | Business-Type Activities | Total | City of Asheboro ABC Board |
| **Governmental Activities:** | | | | | | | | |
| General Government | $ 4,531,206 | $ 32,485 | $ - | $ - | $ (4,498,721) | $ - | $ (4,498,721) | $ - |
| Public Safety | 16,960,337 | 251,743 | 13,317 | 130,366 | (16,564,911) | - | (16,564,911) | - |
| Transportation | 5,041,946 | 103,104 | 763,646 | 245,838 | (3,929,358) | - | (3,929,358) | - |
| Environmental Protection | 2,100,548 | 1,930,346 | - | - | (170,202) | - | (170,202) | - |
| Cultural and Recreational | 4,883,645 | 432,542 | - | 1,566,394 | (2,884,709) | - | (2,884,709) | - |
| Economic and Physical Development | 759,031 | - | 207,354 | - | (551,677) | - | (551,677) | - |
| Interest on Long-term Debt | 39,295 | - | - | - | (39,295) | - | (39,295) | - |
| **Total Governmental Activities** | 34,316,008 | 2,750,220 | 984,317 | 1,942,598 | (28,638,873) | - | (28,638,873) | - |
| **Business-Type Activities:** | | | | | | | | |
| Water and Sewer | 14,451,853 | 12,872,793 | 150,000 | - | - | (1,429,060) | (1,429,060) | - |
| **Total Business-Type Activities** | 14,451,853 | 12,872,793 | 150,000 | - | - | (1,429,060) | (1,429,060) | - |
| **Total Primary Government** | $ 48,767,861 | $ 15,623,013 | $ 1,134,317 | $ 1,942,598 | (28,638,873) | (1,429,060) | (30,067,933) | - |
| **Component Unit:** | | | | | | | | |
| ABC Board | $ 4,062,378 | $ 4,236,204 | $ - | $ - | - | - | - | 173,826 |
| **Total Component Unit** | $ 4,062,378 | $ 4,236,204 | $ - | $ - | - | - | - | 173,826 |
| **General Revenues:** | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 17,818,800 | - | 17,818,800 | - |
| Sales taxes | | | | | 6,799,197 | - | 6,799,197 | - |
| Franchise taxes | | | | | 2,446,885 | - | 2,446,885 | - |
| Sales taxes - hold harmless | | | | | 2,196,568 | - | 2,196,568 | - |
| Other taxes | | | | | 226,497 | - | 226,497 | - |
| Unrestricted investment earnings | | | | | 38,263 | 18,004 | 56,267 | 533 |
| Miscellaneous revenues | | | | | 1,168,732 | 404,805 | 1,573,537 | 2,325 |
| **Total General Revenues Not Including Transfers** | | | | | 30,694,942 | 422,809 | 31,117,751 | 2,858 |
| **Transfers** | | | | | 320,790 | (320,790) | - | - |
| **Total General Revenues and Transfers** | | | | | 31,015,732 | 102,019 | 31,117,751 | 2,858 |
| **Change in Net Position** | | | | | 2,376,859 | (1,327,041) | 1,049,818 | 176,684 |
| **Net Position Beginning of Year, Previously Reported** | | | | | 33,769,308 | 44,484,289 | 78,253,597 | 912,057 |
| **Net Position End of Year** | | | | | $ 36,146,167 | $ 43,157,248 | $ 79,303,415 | $ 1,088,741 |

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

| | Major Funds | | | | Total |
|---|---|---|---|---|---|
| | General | American Rescue Plan Act 2021 Fund | State Capital Infrastructure Fund | Total Non-Major Funds | Governmental Funds |
| **Assets:** | | | | | |
| Cash and Cash Equivalents | $ 16,497,633 | $ - | $ - | $ 554,327 | $ 17,051,960 |
| Receivables: | | | | | |
| Taxes Receivable - Net | 151,635 | - | - | - | 151,635 |
| Accounts Receivable | 164,823 | - | - | 14,513 | 179,336 |
| Due From Other Governments | 3,769,478 | - | - | 65,008 | 3,834,486 |
| Due From Other Funds | 463,675 | - | - | - | 463,675 |
| Notes Receivable | 613,006 | - | - | 351,910 | 964,916 |
| Inventories | 520,043 | - | - | - | 520,043 |
| Deferred Charge - Future Revenues | 313,998 | - | - | - | 313,998 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | 2,107,375 | 4,133,505 | 3,000,000 | 3,947,021 | 13,187,901 |
| Due From Other Governments | - | - | - | 174,645 | 174,645 |
| **Total Assets** | $ 24,601,666 | $ 4,133,505 | $ 3,000,000 | $ 5,107,424 | $ 36,842,595 |
| **Liabilities, Deferred Inflows of Resources and Fund Balances:** | | | | | |
| **Liabilities:** | | | | | |
| Accounts Payable and Accrued Liabilities | $ 1,916,345 | $ - | $ - | $ 23,200 | $ 1,939,545 |
| Due to Other Funds | - | - | - | 463,675 | 463,675 |
| Deposits | 37,370 | - | - | - | 37,370 |
| Payable From Restricted Assets | - | - | - | 907,496 | 907,496 |
| Retainage Payable | - | - | - | 141,903 | 141,903 |
| Unearned Revenues | 267,714 | 4,133,505 | 3,000,000 | - | 7,401,219 |
| **Total Liabilities** | 2,221,429 | 4,133,505 | 3,000,000 | 1,536,274 | 10,891,208 |
| **Deferred Inflows of Resures** | 940,867 | - | - | 14,513 | 955,380 |
| **Fund Balances:** | | | | | |
| Nonspendable: | | | | | |
| Long-term Receivables | 463,675 | - | - | - | 463,675 |
| Inventories | 520,043 | - | - | - | 520,043 |
| Deferred Charge - Future Revenues | 313,998 | - | - | - | 313,998 |
| Restricted: | | | | | |
| Stabilization by State Statute | 3,758,075 | - | - | 591,563 | 4,349,638 |
| Economic and Physical Development | - | - | - | 45,876 | 45,876 |
| Capital Projects | - | - | - | 649,327 | 649,327 |
| Unspent Debt Proceeds | 2,070,005 | - | - | - | 2,070,005 |
| Committed: | | | | | |
| Capital Projects | - | - | - | 1,797,530 | 1,797,530 |
| Economic and Physical Development | - | - | - | 531,127 | 531,127 |
| Assigned: | | | | | |
| Subsequent Year's Expenditures | - | - | - | - | - |
| Unassigned | 14,313,574 | - | - | (58,786) | 14,254,788 |
| **Total Fund Balances** | 21,439,370 | - | - | 3,556,637 | 24,996,007 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balances** | $ 24,601,666 | $ 4,133,505 | $ 3,000,000 | $ 5,107,424 | |

| | | |
|---|---|---|
| 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 | $ 84,617,878 | |
| Accumulated depreciation | (48,601,185) | 36,016,693 |
| Deferred outflows of resources related to pensions. | | 4,178,872 |
| Deferred outflows of resources related to OPEB. | | 7,715,707 |
| Deferred outflows of resources related to LEOSSA | | 984,000 |
| Net pension liability | | (2,659,321) |
| Total pension liability | | (4,876,418) |
| Total OPEB liability | | (20,908,866) |
| Deferred inflows of resources related to pensions | | (4,099,377) |
| Deferred inflows of resources related to OPEB. | | (206,116) |
| Liabilities for earned revenues considered deferred inflows in fund statements. | | 942,939 |
| 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. | | (5,937,953) |
| | | $ 36,146,167 |

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

**CITY OF ASHEBORO, NORTH CAROLINA**

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

| | Major Funds | | | | Total |
|---|---|---|---|---|---|
| | General | American Rescue Plan Act 2021 Fund | State Capital Infrastructure Fund | Total Non-Major Funds | Total Governmental Funds |
| **Revenues:** | | | | | |
| Ad Valorem Taxes | $ 17,806,268 | $ - | $ - | $ - | $ 17,806,268 |
| Other Taxes and Licenses | 54,420 | - | - | - | 54,420 |
| Intergovernmental Revenues: | | | | | |
| Unrestricted | 12,184,833 | - | - | - | 12,184,833 |
| Restricted | 975,066 | - | - | 408,192 | 1,383,258 |
| Permits and Fees | 236,385 | - | - | - | 236,385 |
| Sales and Services | 2,480,685 | - | - | - | 2,480,685 |
| Investment Earnings | 30,048 | - | - | 8,215 | 38,263 |
| Miscellaneous Revenue | 575,312 | - | - | 1,339,694 | 1,915,006 |
| **Total Revenues** | 34,343,017 | - | - | 1,756,101 | 36,099,118 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| General Government | 4,319,992 | - | - | - | 4,319,992 |
| Public Safety | 15,444,251 | - | - | - | 15,444,251 |
| Transportation | 4,212,567 | - | - | - | 4,212,567 |
| Environmental Protection | 2,278,815 | - | - | - | 2,278,815 |
| Cultural and Recreational | 4,795,784 | - | - | - | 4,795,784 |
| Economic and Physical Development | - | - | - | 759,649 | 759,649 |
| Debt Service | 811,785 | - | - | - | 811,785 |
| Capital Outlay | - | - | - | 6,196,855 | 6,196,855 |
| **Total Expenditures** | 31,863,194 | - | - | 6,956,504 | 38,819,698 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 2,479,823 | - | - | (5,200,403) | (2,720,580) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers to Other Funds | (4,626,593) | - | - | - | (4,626,593) |
| Transfers From Other Funds | - | - | - | 4,947,383 | 4,947,383 |
| Lease Purchase Obligations Issued | 2,070,000 | - | - | - | 2,070,000 |
| **Total Other Financing Sources (Uses)** | (2,556,593) | - | - | 4,947,383 | 2,390,790 |
| **Net Change in Fund Balances** | (76,770) | - | - | (253,020) | (329,790) |
| **Fund Balance Beginning of Year, July 1** | 21,516,140 | - | - | 3,809,657 | 25,325,797 |
| **Fund Balance End of Year, June 30** | $ 21,439,370 | $ - | $ - | $ 3,556,637 | $ 24,996,007 |

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, 2022

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

| | | | |
|---|---|---|---|
| Net changes in fund balances - total governmental funds | | $ | (329,790) |
| 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 | $ 7,988,404 | | |
| Depreciation expense for governmental assets | (2,362,296) | | 5,626,108 |
| 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 | | | 10,959 |
| Donated assets | | | 262,000 |
| Loss on Sale of Capital Assets | | | (26,449) |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | | | 1,609,626 |
| Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities | | | 192,719 |
| OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities | | | 1,311,915 |
| 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. | | | (1,297,510) |
| 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 | | | (297,282) |
| Pension expense | | | (1,700,610) |
| OPEB plan expense | | | (2,984,827) |
| Total changes in net position of governmental activities | | $ | 2,376,859 |

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

**CITY OF ASHEBORO, NORTH CAROLINA** Exhibit 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2022

| | General Fund | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance With Final Budget - Positive (Negative) |
| **Revenues:** | | | | |
| Ad Valorem Taxes | $ 16,774,950 | $ 16,775,297 | $ 17,806,268 | $ 1,030,971 |
| Other Taxes and Licenses | 439,291 | 42,876 | 54,420 | 11,544 |
| Intergovernmental Revenues: | | | | |
| Unrestricted | 9,180,103 | 9,602,462 | 12,184,833 | 2,582,371 |
| Restricted | 629,274 | 739,095 | 975,066 | 235,971 |
| Permits and Fees | 213,397 | 213,397 | 236,385 | 22,988 |
| Sales and Services | 2,075,684 | 2,104,890 | 2,480,685 | 375,795 |
| Investment Earnings | - | - | 30,048 | 30,048 |
| Miscellaneous Revenue | 529,387 | 390,639 | 575,312 | 184,673 |
| **Total Revenues** | 29,842,086 | 29,868,656 | 34,343,017 | 4,474,361 |
| **Expenditures:** | | | | |
| Current: | | | | |
| General Government | 5,553,565 | 5,195,524 | 4,319,992 | 875,532 |
| Public Safety | 15,568,575 | 15,878,494 | 15,444,251 | 434,243 |
| Transportation | 5,226,085 | 5,228,314 | 4,212,567 | 1,015,747 |
| Environmental Protection | 2,526,585 | 2,393,259 | 2,278,815 | 114,444 |
| Cultural and Recreational | 4,970,082 | 5,139,405 | 4,795,784 | 343,621 |
| Debt Service | 678,477 | 821,973 | 811,785 | 10,188 |
| **Total Expenditures** | 34,523,369 | 34,656,969 | 31,863,194 | 2,793,775 |
| **Revenues Over (Under) Expenditures** | (4,681,283) | (4,788,313) | 2,479,823 | 7,268,136 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers to Other Funds | (123,700) | (4,676,593) | (4,626,593) | 50,000 |
| Sale of Capital Assets | 26,570 | - | - | - |
| Installment Purchase Obligations Issued | 2,207,000 | 2,207,000 | 2,070,000 | (137,000) |
| **Total Other Financing Sources (Uses)** | 2,109,870 | (2,469,593) | (2,556,593) | (87,000) |
| **Appropriated Fund Balance** | 2,571,413 | 7,257,906 | - | (7,257,906) |
| **Net Change in Fund Balance** | $ - | $ - | (76,770) | $ (76,770) |
| **Fund Balance Beginning of Year, July 1** | | | 21,516,140 | |
| **Fund Balance End of Year, June 30** | | | $ 21,439,370 | |

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

# CITY OF ASHEBORO, NORTH CAROLINA

## STATEMENT OF NET POSITION
## PROPRIETARY FUND
June 30, 2022

| | Water and Sewer Fund |
|---|---|
| **Assets:** | |
| Current Assets: | |
| Cash and Cash Equivalents | $ 10,247,793 |
| Accounts Receivable - Net | 2,207,170 |
| Leases Receivable | 115,780 |
| Due From Other Governments | 12 |
| Note Receivable | 88,890 |
| Inventories | 1,041,917 |
| Restricted Assets: | |
| Cash and Cash Equivalents | 644,222 |
| Total Current Assets | 14,345,784 |
| Noncurrent Assets: | |
| Leases Receivable - Non-Current | 110,115 |
| Capital Assets: | |
| Land, Improvements and Construction in Progress | 3,242,683 |
| Other Capital Assets, Net of Depreciation | 35,346,176 |
| Total Capital Assets (Net) | 38,588,859 |
| Total Noncurrent Assets | 38,698,974 |
| **Total Assets** | $ 53,044,758 |
| **Deferred Outflows of Resources** | $ 3,822,408 |
| **Liabilities:** | |
| Current Liabilities: | |
| Accounts Payable and Accrued Liabilities | 460,304 |
| Customer Deposits | 644,222 |
| Unearned Revenues | 154,610 |
| Accrued Interest Payable | 9,033 |
| Compensated Absences - Current | 261,782 |
| Notes Payable State of North Carolina - Current | 469,364 |
| Total Current Liabilities | 1,999,315 |
| Noncurrent Liabilities: | |
| Total OPEB Liability | 6,425,530 |
| Compensated Absences | 147,357 |
| Net Pension Liability | 1,035,418 |
| Notes Payable State of North Carolina - Noncurrent | 2,605,001 |
| Total Noncurrent Liabilities | 10,213,306 |
| **Total Liabilities** | 12,212,621 |
| **Deferred Inflows of Resources** | 1,497,297 |
| **Net Position:** | |
| Net Investment in Capital Assets | 35,514,494 |
| Unrestricted | 7,642,754 |
| **Total Net Position** | $ 43,157,248 |

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

**CITY OF ASHEBORO, NORTH CAROLINA** Exhibit 7

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE
For the Year Ended June 30, 2022

| | Water and Sewer Fund |
|---|---|
| **Operating Revenues:** | |
| Water Sales | $ 6,782,862 |
| Sewer Charges | 5,235,970 |
| Water and Sewer Taps | 110,450 |
| Sampling and Monitoring Fees | 21,643 |
| Surcharges | 146,791 |
| Other Operating Revenues | 575,077 |
| **Total Operating Revenues** | 12,872,793 |
| **Operating Expenses:** | |
| Billing and Collections | 578,339 |
| Water Meter Operations | 777,997 |
| Water Supply Treatment | 2,464,571 |
| Wastewater Treatment | 3,204,513 |
| Water Maintenance | 1,419,950 |
| Wastewater Maintenance | 1,234,151 |
| Technical Services | 233,711 |
| Systems Maintenance | 1,620,500 |
| Water Quality | 743,753 |
| Depreciation | 2,112,452 |
| **Total Operating Expenses** | 14,389,937 |
| **Operating Loss** | (1,517,144) |
| **Nonoperating Revenues (Expenses):** | |
| Investment Earnings | 18,004 |
| Grants | 150,000 |
| Interest and Other Charges | (61,916) |
| Other Nonoperating Revenues | 404,805 |
| **Total Nonoperating Revenues (Expenses)** | 510,893 |
| **Loss Before Transfers** | (1,006,251) |
| **Transfers to Other Funds:** | |
| Zoo City Park Sportsplex Fund | (320,790) |
| **Change in Net Position** | (1,327,041) |
| **Total Net Position Beginning of Year, Previously Reported** | 44,484,289 |
| **Total Net Position - End of Year** | $ 43,157,248 |

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

**CITY OF ASHEBORO, NORTH CAROLINA**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2022

| | Water and Sewer Fund |
|---|---|
| **Cash Flows From Operating Activities:** | |
| Cash Received From Customers | $ 12,117,457 |
| Cash Paid for Goods and Services | (6,674,792) |
| Cash Paid to Employees for Services | (6,008,033) |
| Customer Deposits Received | 13,830 |
| Other Operating Revenues | 979,882 |
| **Net Cash Provided by Operating Activities** | 428,344 |
| **Cash Flows From Noncapital Financing Activities:** | |
| Transfers to Other Funds | (320,790) |
| Grants | 150,000 |
| **Net Cash (Used) by Noncapital Financing Activities** | (170,790) |
| **Cash Flows From Capital and Related Financing Activities:** | |
| Acquisition of Capital Assets | (721,043) |
| Principal Paid on Bonds and Installment Purchase Agreements | (469,364) |
| Interest Paid on Bonds and Installment Purchase Agreements | (61,916) |
| **Net Cash (Used) by Capital and Related Financing Activities** | (1,252,323) |
| **Cash Flows from Investing Activities:** | |
| Interest Earned on Investments | 18,004 |
| **Net Decrease in Cash and Cash Equivalents** | (976,765) |
| **Cash and Cash Equivalents at Beginning of Year** | 11,868,780 |
| **Cash and Cash Equivalents at End of Year** | $ 10,892,015 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities:** | |
| Operating Income | $ (1,517,144) |
| **Adjustments to Reconcile Operating Income to Net Cash** | |
| **Provided by Operating Activities:** | |
| Depreciation | 2,112,452 |
| Other Nonoperating Revenue | 404,805 |
| **Changes in Assets and Liabilities:** | |
| (Increase) in Accounts Receivable | (185,177) |
| (Increase) in Leases Receivable | (225,895) |
| (Increase) in Inventory | (11,721) |
| (Increase) in Deferred Outflows of Resources - Pension | (172,084) |
| (Decrease) in Net Pension Liability | (1,160,614) |
| Increase in Deferred Inflows of Resources - Pension | 1,205,010 |
| Decrease in Deferred Outflows of Resources - OPEB | 159,624 |
| Increase in OPEB Liability | 383,149 |
| (Decrease) in Deferred Inflows of Resources - OPEB | (26,130) |
| Increase in Deferred Inflows - Leases | 212,376 |
| (Decrease) in Accounts Payable and Accrued Liabilities | (826,819) |
| Increase in Customer Deposits | 13,830 |
| Increase in Accrued Compensated Absences | 44,245 |
| Increase in Unearned Revenues | 18,437 |
| **Total Adjustments** | 1,945,488 |
| **Net Cash Provided by Operating Activities** | $ 428,344 |

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

# 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.

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.

*The American Rescue Plan Act 2021 Special Revenue Fund*. This fund accounts for grant funds to be used for water, sewer and broadband infrastructure and other allowable uses.

*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 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 Sidewalk Improvements Project Special Revenue Fund.* This fund accounts for City commitments and grant funds to address sidewalk infrastructure in certain areas of the City.

*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 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.

*The Airport Improvements Capital Project Fund*. This fund accounts for Federal Aviation Administration and State Aid to Airport grant funding to further extend, widen and strengthen the airport runway.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION. (Concluded)

*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 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.

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 capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

term debt and acquisitions under capital leases 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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts.

Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources. Sales taxes and certain intergovernmental revenues, such as the 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.

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 the North Carolina Capital Management Trust (NCCMT). The City's and the ABC Board's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

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 of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Unexpended debt proceeds are classified as restricted cash in the General Fund due to the debt being for capital outlay. Funds in the Airport Improvements Project Fund are restricted for expenditures for federal grant reimbursement. 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 American Rescue Plan Act 2021 Special Revenue Fund are restricted for economic and physical development. Funds in the David and Pauline Jarrell Center City Garden Project Fund are restricted for expenditures committed by the City council. 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 Sidewalk Improvement Project Special Revenue Fund are restricted by grantors, donors and City commitments 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.

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 | $ 37,370 |
| Unspent Debt Proceeds | 2,070,005 |
| Other Governmental: | |
| Capital Outlay | 3,901,145 |
| Economic and Physical Development | 7,179,381 |
| Water and Sewer Fund: | |
| Deposits | 644,222 |
| Total Restricted Cash | $13,832,123 |

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, 2021. 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 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Inventory (Concluded)

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 recoded 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 |

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 |

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 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 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Reimbursements for Pandemic Related Expenditures

In fiscal year 2020-2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The City was allocated $8,267,012 of fiscal recovery funds to be paid in two equal installments. The first installment of $4,133,506 was received in July 2021. The second installment will be received in July 2022. The City council has elected to use the funds for economic development projects and other allowable costs.

13. Net Position/Fund Balances

Net Position.

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

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Net Position/Fund Balances (Continued)

Fund Balances (Continued).

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.

Long-term Receivables – portion of fund balance that is not an available resource because it represents the portion of interfund receivables not expected to be converted to cash within the next budget year.

Deferred 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Net Position/Fund Balances (Concluded)

Fund Balances (Concluded).

Restricted Fund Balance (Concluded)

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

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.

14. 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 $ 11,150,160 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) | $ 84,617,878 |
| Less Accumulated Depreciation | ( 48,601,185) |
| Net Capital Assets | 36,016,693 |
| | |
| Pension related deferred outflows of resources: | |
| Contributions made to pension plan in current fiscal year | 1,609,626 |
| Benefit payments and pension administrative costs for LEOSSA | 192,719 |
| Pension deferrals | 2,569,246 |
| Pension deferrals - LEOSSA | 791,281 |
| Benefit payments for OPEB | 1,311,915 |
| OPEB deferrals | 6,403,792 |
| | |
| Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide statements | 942,939 |
| | |
| Deferred inflows of resources reported in government-wide statements but not fund statements: | |
| Pension deferrals | ( 4,099,377) |
| OPEB deferrals | ( 206,116) |
| | |
| 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 | ( 3,797,633) |
| Compensated Absences | ( 2,140,320) |
| Net Pension Liability | ( 2,659,321) |
| Total Pension Liability | ( 4,876,418) |
| Total OPEB Liability | ( 20,908,866) |
| | |
| Total Adjustment | $ 11,150,160 |

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 $ 2,706,649 as follows:

| Description | Amount |
|---|---|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities | $ 7,988,404 |
| 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 | ( 2,362,296) |
| 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 | ( 2,070,000) |
| 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 | 772,490 |
| Contributions to the pension plan in the current fiscal year are not included on the statement of activities | 1,609,626 |
| Benefit payments and administrative costs for LEOSSA are deferred outflows of resources on the statement of net position | 192,719 |
| Benefit payments and administrative costs for OPEB are deferred outflows of resources on the statement of net position | 1,311,915 |
| 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 | ( 1,700,610) |
| Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources | ( 297,282) |
| OPEB plan expense | ( 2,984,827) |
| Loss on disposal of capital assets | ( 26,449) |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements: | |
| Donated assets | 262,000 |
| Increase in deferred inflows - taxes receivable at June 30, 2022 | 12,532 |
| Decrease in deferred inflows – service charges receivable at June 30, 2022 | ( 1,273) |
| Decrease in deferred inflows - notes receivable at June 30, 2022 | ( 300) |
| Total Adjustment | $ 2,706,649 |

## II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. EXCESS OF EXPENDITURES OVER APPROPRIATIONS.

For the fiscal year ended June 30, 2022, the expenditures in the City's General Fund exceeded the authorized appropriations made by the City council for the recreation department by $112,072. The over expenditure was due to an approved budget amendment being recorded incorrectly. Management will more closely review budget to actual reports to ensure compliance in the future.

### B. DEFICIT IN FUND BALANCE OF INDIVIDUAL FUNDS.

For the fiscal year ended June 30, 2022, the Airport Improvements Project Fund II had a deficit fund balance of $24,668. This fund is funded primarily from grant proceeds which are expected to be received in the subsequent year.

## 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 the 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, 2022, the City's deposits had a carrying amount of $19,733,354 and a bank balance of $22,350,956. Of the bank balance, $500,000 was covered by federal depository insurance and $21,850,956 was covered by collateral held under the Pooling Method. At June 30, 2022, the City's petty cash fund totaled $47,146. The carrying amount of deposits for the ABC Board was $709,502 and the bank balance was $684,825. Of the bank balance, $250,000 was covered by federal depository insurance, and the remainder under the Pooling Method. The ABC Board's petty cash fund totaled $6,096.

III. DETAIL NOTES ON ALL FUNDS (Continued)

A. ASSETS. (Continued)

2. Investments

At June 30, 2022, the City of Asheboro and the ABC Board had $21,351,376 and $327,078, respectively, invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's, and the North Carolina Capital Management Trust's Term Portfolio, which is not rated. The City has no policy regarding credit risk or interest rate risk.

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 | 6/30/2022 |
|---|---|
| General Fund: | |
| Taxes Receivable | $ 40,000 |
| Enterprise Fund: | |
| Customer Accounts Receivable | 75,000 |
| Total | $ 115,000 |

4. Leases Receivable

In years prior to June 30, 2022, the City had entered into four leases with tenants to lease portions of City owned property. All of the leases are for five years. There are no variable components to either of the leases. At June 30, 2022 the unamortized deferred inflows was $211,572. 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%, which is the City's incremental borrowing rate.

For the year ended June 30, 2022 the City recognized $119,016 of lease revenue and $6,787 of interest revenue under all leases.

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, 2022, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 5,429,073 | $ - | $ - | $ 5,429,073 |
| Construction in Progress | 3,468,697 | 6,616,770 | - | 10,085,467 |
| Total Capital Assets Not Being Depreciated | 8,897,770 | 6,616,770 | - | 15,514,540 |
| Capital Assets Being Depreciated: | | | | |
| Land Improvements | 13,116,426 | 95,008 | - | 13,211,434 |
| Buildings | 17,055,784 | 273,785 | - | 17,329,569 |
| Street Construction | 17,292,025 | - | - | 17,292,025 |
| Computer Equipment | 485,758 | 64,228 | - | 549,986 |
| Equipment | 5,782,321 | 575,669 | 155,934 | 6,202,056 |
| Vehicles | 14,508,755 | 624,944 | 615,431 | 14,518,268 |
| Total Capital Assets Being Depreciated | 68,241,069 | 1,633,634 | 771,365 | 69,103,338 |
| Less Accumulated Depreciation For: | | | | |
| Land Improvements | 9,689,061 | 608,330 | - | 10,297,391 |
| Buildings | 8,988,252 | 400,794 | - | 9,389,046 |
| Street Construction | 13,327,276 | 323,931 | - | 13,651,207 |
| Computer Equipment | 284,128 | 14,666 | - | 298,794 |
| Equipment | 4,674,420 | 194,983 | 155,934 | 4,713,469 |
| Vehicles | 10,020,668 | 819,592 | 588,982 | 10,251,278 |
| Total Accumulated Depreciation | 46,983,805 | $ 2,362,296 | $ 744,916 | 48,601,185 |
| Total Capital Assets Being Depreciated, Net | 21,257,264 | | | 20,502,153 |
| Governmental Activity Capital Assets, Net | $ 30,155,034 | | | $ 36,016,693 |

Depreciation expense was charged to functions/programs as follows:

| | |
|---|---|
| General Government | 95,118 |
| Public Safety | 533,102 |
| Transportation | 1,194,669 |
| Environmental | 181,667 |
| Cultural and Recreational | 357,740 |
| Economic Development | - |
| | $ 2,362,296 |

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 | 806 | - | 806 | - |
| Total Capital Assets Not Being Depreciated | 3,243,488 | - | 806 | 3,242,682 |
| Capital Assets Being Depreciated: | | | | |
| Land Improvements | 78,560 | - | - | 78,560 |
| Buildings | 31,311,731 | - | - | 31,311,731 |
| Plant and Distribution Systems | 48,783,942 | - | - | 48,783,942 |
| Computer Equipment | 143,208 | 3,582 | - | 146,790 |
| Equipment | 7,918,959 | 587,562 | 11,695 | 8,494,826 |
| Vehicles | 3,228,863 | 129,899 | 21,361 | 3,337,401 |
| Total Capital Assets Being Depreciated | 91,465,263 | 721,043 | 33,056 | 92,153,250 |
| Less Accumulated Depreciation For: | | | | |
| Land Improvements | 69,035 | 3,928 | - | 72,963 |
| Buildings | 19,893,188 | 657,303 | - | 20,550,491 |
| Plant and Distribution Systems | 26,108,585 | 865,890 | - | 26,974,475 |
| Computer Equipment | 143,498 | 418 | - | 143,916 |
| Equipment | 5,607,059 | 466,052 | 11,695 | 6,061,416 |
| Vehicles | 2,906,313 | 118,861 | 21,361 | 3,003,813 |
| Total Accumulated Depreciation | 54,727,678 | $ 2,112,452 | $ 33,056 | 56,807,074 |
| Total Capital Assets Being Depreciated, Net | 36,737,585 | | | 35,346,176 |
| Business-type Activities Capital Assets, Net | $ 39,981,073 | | | $ 38,588,858 |

Construction Commitments:

The government has active construction contracts as of June 30, 2022. At year end the government's commitments with contractors are as follows:

| Project | Spent to Date | Remaining Commitment |
|---|---|---|
| Zoo City Park Sportsplex Capital Project | $ 5,172,604 | $ 1,777,768 |
| McCrary Ballpark Improvements Capital Project | 391,306 | 108,069 |
| | $ 5,563,910 | $ 1,885,837 |

Activity for the ABC Board for the year ended June 30, 2022, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Capital Assets Being Depreciated: | | | | |
| Leasehold Improvements | $ 620 | $ - | $ - | $ 620 |
| Furniture and Equipment | 205,411 | 19,439 | - | 224,850 |
| Vehicles | - | 39,000 | - | 39,000 |
| Total Capital Assets Being Depreciated | 206,031 | 58,439 | - | 264,470 |
| Less Accumulated Depreciation For: | | | | |
| Leasehold Improvements | 620 | - | - | 620 |
| Furniture and Equipment | 184,874 | 6,004 | - | 190,878 |
| Vehicles | - | 650 | - | 650 |
| Total Accumulated Depreciation | 185,494 | 6,654 | - | 192,148 |
| ABC Capital Assets, Net | $ 20,537 | | | $ 72,322 |

III. DETAIL NOTES ON ALL FUNDS (Continued)

B. LIABILITIES.

1. Payables

Payables at the government-wide level at June 30, 2022, were as follows:

| | Vendors | Salaries and Benefits | Other | Total |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| General | $ 1,323,638 | $ 592,707 | $ -- | $ 1,916,345 |
| Other Governmental | 1,072,599 | -- | -- | 1,072,599 |
| Total Governmental Activities | $ 2,396,237 | $ 592,707 | $ -- | $ 2,988,944 |
| Business-type Activities: | | | | |
| Water and Sewer | $ 460,304 | $ -- | $ -- | $ 460,304 |

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.

*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

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, 2022 was 11.90% of compensation for law enforcement officers and 11.35% 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, 2022 was $2,102,852.

*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, 2022, the City reported a liability of $3,694,739 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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

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, 2021 and June 30, 2020 (measurement dates), the City's proportion was .241% and .242%, respectively.

For the year ended June 30, 2022, the City recognized pension expense of $1,590,613. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 1,175,429 | $ - 0 - |
| Changes of assumptions | 2,321,240 | - 0 - |
| Net difference between expected and actual earnings on pension plan investments | - 0 - | 5,278,673 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 99,547 | 44,930 |
| City contributions subsequent to measurement date | 2,102,852 | - 0 - |
| Total | $ 5,699,068 | $ 5,323,603 |

The $2,102,852 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | |
|---|---|
| 2023 | $ 361,634 |
| 2024 | ( 68,369) |
| 2025 | ( 405,347) |
| 2026 | ( 1,615,305) |
| 2027 | - - |
| Thereafter | - - |
| | ($ 1,727,387) |

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, 2020 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, 2020 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, 2021 are summarized in the following table:

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 | 29.0% | 1.4% |
| Global Equity | 42.0% | 5.3% |
| Real Estate | 8.0% | 4.3% |
| Alternatives | 8.0% | 8.9% |
| Credit | 7.0% | 6.0% |
| Inflation Protection | 6.0% | 4.0% |
| Total | 100% | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

*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.

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) | $ 14,342,671 | $ 3,694,739 | ($ 5,067,890) |

*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, 2020, 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 | 77 |
| Total | 102 |

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, 2020 valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.25 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 December31, 2020.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on scale AA.

*(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 $367,236 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, 2022, the City reported a total pension liability of $4,876,418. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of

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, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the City recognized pension expense of $655,908.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 247,952 | $ - 0 - |
| Changes of assumptions and other inputs | 543,329 | - 0 - |
| Benefit payments and administrative expenses subsequent to measurement date | 192,719 | - 0 - |
| Total | $ 984,000 | $ - 0 - |

The $192,719 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, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | |
|---|---|
| 2023 | $ 312,949 |
| 2024 | 267,647 |
| 2025 | 230,857 |
| 2026 | ( 18,718) |
| 2027 | ( 1,454) |
| Thereafter | - - |
| | $ 791,281 |

$192,032 paid as benefits came due and $687 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

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 2.25%, 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 (1.25%) or 1 percentage point higher (3.25%) than the current rate:

| | 1% Decrease (1.25%) | Discount Rate (1.93%) | 1% Increase (2.93%) |
|---|---|---|---|
| Total Pension Liability | $ 5,246,046 | $ 4,876,418 | $ 4,539,005 |

| Schedule of Changes in Total Pension Liability<br>Law Enforcement Officers' Special Separation Allowance | |
|---|---|
| Beginning Balance | $5,087,023 |
| Service Costs | 209,048 |
| Interest on Pension Liability | 94,636 |
| Changes of Benefit Terms | - 0 - |
| Differences Between Expected and Actual Experience in the Measurement of Total Pension Liability | ( 32,380) |
| Changes of Assumptions and Other Inputs | ( 114,673) |
| Benefit Payments | ( 367,236) |
| Other Changes | - 0 - |
| Ending Balance Total Pension Liability | $4,876,418 |

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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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 | $ 1,590,613 | $ 655,908 | $ 2,246,521 |
| Pension Liability | $ 3,694,739 | $ 4,876,418 | $ 8,571,157 |
| Proportionate Share of Net Pension Liability | .241% | N/A | |
| | | | |
| Deferred Outflows of Resources: | | | |
| Differences Between Expected & Actual Experience | $ 1,175,429 | $ 247,952 | $ 1,423,381 |
| Changes of Assumptions | $ 2,321,240 | $ 543,329 | $ 2,864,569 |
| Net Difference Between Projected & Actual Earnings on Plan Investments | $ - 0 - | $ - 0 - | $ - 0 - |
| Changes in Proportion & Differences Between Contributions & Proportionate Share of Contributions | $ 99,547 | $ - 0 - | $ 99,547 |
| Benefit Payments & Administrative Costs Paid Subsequent to the Measurement Date | $ 2,102,852 | $ 192,719 | $ 2,295,571 |
| | | | |
| Deferred Inflows of Resources: | | | |
| Differences Between Expected & Actual Experience | $ - 0 - | $ - 0 - | $ - 0 - |
| Changes of Assumptions | $ - 0 - | $ - 0 - | $ - 0 - |
| Net Difference Between Projected & Actual Earnings on Plan Investments | $ 5,278,673 | $ - 0 - | $ 5,278,673 |
| Changes in Proportion & Differences Between Contributions & Proportionate Share of Contributions | $ 44,930 | $ - 0 - | $ 44,930 |

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.

III. DETAIL NOTES ON ALL FUNDS (Continued)

B. LIABILITIES. (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

d. Supplemental Retirement Income Plan for Law Enforcement Officers (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, 2022, were $457,371, which consisted of $212,173 from the City, $104,211 from the law enforcement officers, and $140,987 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.

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, 2021, the date of the latest valuation:

| | General Employees | Law Enforcement Officers |
|---|---|---|
| Retirees and dependents receiving benefits | 67 | - - |
| Terminated plan members entitled to but not yet receiving benefits | - - | - - |
| Active plan members | 338 | 77 |
| Total | 405 | 77 |

*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 $27,334,396 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

*Actuarial Assumptions and Other Inputs*

The total OPEB liability in the June 30, 2021 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 | 3.25 percent |
| Healthcare cost trend rates | Pre-medicare 7.0% for 2020 decreasing to an ultimate rate of 4.5% by 2030<br>Dental – 4.00%<br>Vision – 2.50% |

The discount rate is based on the June average of the Bond Buyer General Obligation 20 year Municipal Bond Index published weekly by the Bond Buyer.

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.*

**Schedule of Changes in Total OPEB Liability**

| | |
|---|---|
| Beginning Balance | $ 25,360,775 |
| Service Costs | 1,299,938 |
| Interest on OPEB Liability | 576,565 |
| Changes of Benefit Terms | - 0 - |
| Differences Between Expected and Actual Experience | 223,663 |
| Changes of Assumptions and Other Inputs | 1,023,378 |
| Benefit Payments | ( 1,149,923) |
| Other Changes | - 0 - |
| Ending Balance Total OPEB Liability | $ 27,334,396 |

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

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

The actuarial assumptions used in the June 30, 2020 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 2.16%, 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 (1.16%) or 1 percentage point higher (3.16%) than the current rate:

| | 1% Decrease (1.16%) | Discount Rate (2.16%) | 1% Increase (3.16%) |
|---|---|---|---|
| Total OPEB Liability | $ 30,072,244 | $ 27,334,396 | $ 24,881,263 |

*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 | $ 24,097,644 | $ 27,334,396 | $ 31,178,464 |

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, 2022, the City recognized OPEB expense of $3,449,527. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 4,692,613 | $ - 0 - |
| Changes of assumptions | 3,621,940 | 267,617 |
| Benefit payments and administrative costs subsequent to measurement date | 1,703,364 | - 0 - |
| Total | $ 10,017,917 | $ 267,617 |

The $1,703,364 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending June 30 | |
|---|---|
| 2023 | $ 1,566,556 |
| 2024 | 1,566,556 |
| 2025 | 1,596,357 |
| 2026 | 1,447,387 |
| 2027 | 1,140,904 |
| Thereafter | 729,176 |
| | $ 8,046,936 |

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, 2022, the City made contributions to the State for death benefits of $15,797. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.07% 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 | $ 2,102,852 |
| Benefit payments made and administrative expenses for LEOSSA | 192,719 |
| Benefit payments made and administrative expenses for OPEB | 1,703,364 |
| Differences between expected and actual experience | 6,115,994 |
| Changes in assumptions | 6,486,509 |
| Net differences between projected and actual earnings on pension plan investments | - 0 - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 99,547 |
| Total | $ 16,700,985 |

III. DETAIL NOTES ON ALL FUNDS (Continued)

B. LIABILITIES. (Continued)

4. Deferred Outflows / Inflows of Resources (Concluded)

Deferred inflows of resources at June 30, 2022 is comprised of the following:

| | Statement of Net Position | General Fund Balance Sheet |
|---|---|---|
| Prepaid Taxes (General) | $ 12,441 | $ 12,441 |
| Taxes Receivable, Net (General) | - - | 151,635 |
| Garbage Collections Receivable (General) | - - | 163,785 |
| Note Receivable (General) | - - | 613,006 |
| Notes Receivable (Special Revenue) | - - | 14,513 |
| Leases Receivable (Water and Sewer) | 211,570 | - - |
| Net difference between projected and actual earnings | - - | - - |
| on plan investments | 5,278,673 | - - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 44,930 | - - |
| Changes in assumptions | 267,617 | - - |

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 $100,000. The remaining employees that have access to funds are bonded under a blanket bond for $10,000.

III. DETAIL NOTES ON ALL FUNDS (Continued)

B. LIABILITIES. (Continued)

6. Claims, Judgments, and Contingent Liabilities

At June 30, 2022, 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 May 2016, the City entered into a direct placement installment purchase contract with BB&T Bank to finance vehicles for the fire department. The vehicles are pledged as collateral for the debt while the debt is outstanding. The contract is for $650,000, to be repaid monthly at $8,210, including interest at 1.69% over five years.

In June 2018, the City entered into a direct placement installment purchase contract with Regions Finance Corporation to finance vehicles for the public works, planning, police and recreation departments. The vehicles are pledged as collateral for the debt while the debt is outstanding. The contract is for $643,175, to be repaid monthly at $11,485, including interest at 2.75% over five years.

In May 2019, the City entered into a direct placement installment purchase contract with BB&T Bank to finance vehicles for the public works, fire, and police departments. The vehicles are pledged as collateral for the debt while the debt is outstanding. The contract is for $611,738, to be repaid monthly at $11,096, including interest at 2.76% over five years.

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.

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, 2022, are as follows:

| | Governmental Activities | | Business-type Activities | |
|---|---|---|---|---|
| Year Ending June 30 | Principal | Interest | Principal | Interest |
| 2023 | $ 1,096,553 | $ 79,268 | $ - - | $ - - |
| 2024 | 891,067 | 55,143 | - - | - - |
| 2025 | 782,949 | 35,904 | - - | - - |
| 2026 | 618,396 | 19,742 | - - | - - |
| 2027 | 406,199 | 5,929 | - - | - - |
| Totals | $ 3,795,164 | $ 195,986 | $ - - | $ - - |

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.

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:

| | Business-type Activities | | Governmental-type Activities | |
|---|---|---|---|---|
| Year Ending June 30 | Principal | Interest | Principal | Interest |
| 2023 | $ 469,364 | $ 54,803 | $ - - | $ - - |
| 2024 | 473,324 | 46,561 | - - | - - |
| 2025 | 465,405 | 39,928 | - - | - - |
| 2026 | 346,215 | 26,532 | - - | - - |
| 2027 | 306,560 | 19,899 | - - | - - |
| 2028 – 2032 | 784,711 | 19,899 | - - | - - |
| 2033 – 2037 | 228,786 | - - | - - | - - |
| Totals | $ 3,074,365 | $ 207,262 | $ - - | $ - - |

At June 30, 2022 the City's legal debt margin is $ 206,755,754.

c. Changes in Long-Term Liabilities.

| Governmental Activities: | Balance July 1, 2021 | Increases | Decreases | Balance June 30, 2022 | Current Portion of Balance |
|---|---|---|---|---|---|
| Direct Placement: | | | | | |
| Installment Purchases | $ 2,497,654 | $ 2,070,000 | $ 772,490 | $ 3,795,164 | $1,096,553 |
| Compensated Absences | 1,845,507 | 1,388,897 | 1,091,615 | 2,142,789 | 1,091,615 |
| Total OPEB Liability | 19,318,394 | 1,590,472 | - - | 20,908,866 | - - |
| Net Pension Liability (LGERS) | 6,465,952 | - - | 3,806,631 | 2,659,321 | - - |
| Total Pension Liability (LEO) | 5,087,023 | - - | 210,605 | 4,876,418 | - - |
| Governmental Activity Long-term Liabilities | $ 35,214,530 | $ 5,049,369 | $ 5,881,341 | $ 34,382,558 | $2,188,168 |

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

III. DETAIL NOTES ON ALL FUNDS (Continued)

B. LIABILITIES. (Concluded)

7. Long-Term Obligations (Concluded)

c. Changes in Long-Term Liabilities (Concluded).

| Business-type Activities: | Balance July 1, 2021 | Increases | Decreases | Balance June 30, 2022 | Current Portion of Balance |
|---|---|---|---|---|---|
| Direct Borrowing: | | | | | |
| Notes Payable | $ 3,543,730 | $ - - | $ 469,364 | $ 3,074,366 | $ 469,364 |
| Compensated Absences | 364,894 | 306,027 | 261,782 | 409,139 | 261,782 |
| Net Pension Liability (LGERS) | 2,196,032 | - - | 1,160,614 | 1,035,418 | - - |
| Total OPEB Liability | 6,042,381 | 383,149 | - - | 6,425,530 | - - |
| Business-type Activity Long-term Liabilities | $ 12,147,037 | $ 689,176 | $ 1,891,760 | $ 10,944,453 | $ 731,146 |

C. INTERFUND BALANCES AND ACTIVITY.

1. Transfers To / From Other Funds

Transfers to / from other funds at June 30, 2022, consists of the following:

| | |
|---|---|
| From the General Fund to the Economic and Tourism Development Fund to satisfy commitments by the City council for downtown development. | $ 586,000 |
| From the General Fund to the Airport Improvements Capital Project Fund per the terms of a matching grant. | 16,700 |
| From the General Fund to the Zoo City Park Sportsplex Capital Project Fund to satisfy the commitments of the City council. | 2,414,355 |
| From the General Fund to the Airport Improvements Capital Project Fund II per the terms of a matching grant | 12,538 |
| From the General Fund to the McCrary Ballpark Improvements Project Fund to satisfy commitments of the City council. | 1,597,000 |
| From the Water and Sewer Fund to he Zoo City Park Sportsplex Capital Project Fund to satisfy the commitments of the City council. | 320,790 |
| From the Water and Systems Improvement Fund to the Water and Sewer Fund to close out project fund. | 471,888 |
| | $ 5,419,271 |

III. DETAIL NOTES ON ALL FUNDS (Continued)

C. INTERFUND BALANCES AND ACTIVITY (Concluded).

2. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2022, are as follows:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Capital Projects: | |
| | Airport Improvements Project Fund - to fund grant project. | $ 350,000 |
| | Airport Improvement Project Fund II – to fund grant project. | 79,557 |
| | Special Revenue Funds: | |
| | CDBG-CV Fund – to fund expenditures prior to grant receipts. | 34,118 |
| | | $ 463,675 |

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 | $21,439,370 |
| Less: | |
| Long-term receivables | 463,675 |
| Inventories | 520,043 |
| Deferred Charge – Future Revenues | 313,998 |
| Stabilization by State Statute | 3,758,075 |
| Unspent Debt Proceeds | 2,070,005 |
| Appropriated Fund Balance in 2023 Budget | - 0 - |
| Remaining Fund balance | $14,313,574 |

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 |
| $ - 0 - | $ - 0 - |

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

## IV. JOINT VENTURE (Concluded)

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, 2022, 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, 2022. 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.

## V. JOINTLY GOVERNED ORGANIZATION

The City, in conjunction with seven counties and thirty nine other municipalities, established 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 $5,428 to the Council during the fiscal year ended June 30, 2022.

## 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.

## VIII. CHANGE IN ACCOUNTING PRINCIPLE

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, effective years ending after June 15, 2021. The statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities. As part of implementing the Statement, the City performed a comprehensive review of its agreements to determine which ones were subject to the Statement. As a result, several leases receivable and deferred inflows of resources were recorded in the Water and Sewer Fund. No adjustment to beginning net position was recorded.

**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 Six Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| Beginning Balance | $ 5,087,023 | $ 3,894,538 | $ 3,806,397 | $ 3,741,358 | $ 3,593,947 | $ 3,729,984 |
| Service Costs | 209,048 | 131,016 | 109,059 | 115,753 | 99,477 | 101,001 |
| Interest on Total Pension Liability | 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 | (32,380) | 284,324 | 102,563 | 296,961 | 74,707 | - |
| Changes of Assumptions or Other Inputs | (114,673) | 1,025,963 | 97,563 | (123,375) | 180,790 | (70,377) |
| Benefit Payments | (367,236) | (369,753) | (353,169) | (337,199) | (339,733) | (294,563) |
| Other Changes | - | - | - | - | - | - |
| Ending Balance Total Pension Liability | $ 4,876,418 | $ 5,087,023 | $ 3,894,538 | $ 3,806,397 | $ 3,741,358 | $ 3,593,947 |

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

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 Six Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| Total Pension Liability | $ 4,876,418 | $ 5,087,023 | $ 3,894,538 | $ 3,806,397 | $ 3,741,358 | $ 3,593,947 |
| Covered-employee Payroll | $ 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 | 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 Five Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Beginning Balance | $ 25,360,775 | $ 18,348,451 | $ 17,020,671 | $ 14,225,691 | $ 14,347,711 |
| Service Costs | 1,299,937 | 742,828 | 686,612 | 619,457 | 667,438 |
| Interest on Total OPEB Liability | 576,565 | 652,160 | 629,553 | 484,181 | 424,086 |
| Changes of Benefit Terms | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 223,663 | 3,581,340 | 1,057,320 | 2,578,601 | 76,061 |
| Changes of Assumptions or Other Inputs | 1,023,378 | 2,960,160 | 643,990 | 373,996 | (768,772) |
| Benefit Payments | (1,149,923) | (924,164) | (1,689,695) | (1,261,255) | (520,833) |
| Other Changes | - | - | - | - | - |
| Ending Balance Total OPEB Liability | $ 27,334,395 | $ 25,360,775 | $ 18,348,451 | $ 17,020,671 | $ 14,225,691 |
| | | | | | |
| Covered-employee Payroll | $ 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 | 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:

| Fiscal Year | Rate |
|---|---|
| 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 Nine Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|
| City's proportion of the net pension liability (asset) | 0.241% | 0.242% | 0.232% | 0.236% | 0.248% | 0.258% | 0.276% | 0.280% | 0.290% |
| City's proportionate share of the net pension liability (asset) | $ 3,694,739 | $ 8,661,984 | $ 6,340,655 | $ 5,603,709 | $ 3,783,867 | $ 5,465,224 | $ 1,237,864 | $ (1,646,807) | $ 3,465,479 |
| City's covered payroll | $ 17,547,047 | $ 16,883,270 | $ 15,941,762 | $ 14,795,708 | $ 15,004,952 | $ 14,598,118 | $ 14,770,443 | $ 14,660,663 | $ 14,642,084 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 21.06% | 51.31% | 39.77% | 37.87% | 25.22% | 37.44% | 8.38% | (11.23%) | 23.67% |
| Plan fiduciary net position as a percentage of the total pension liability | 95.51% | 88.61% | 94.18% | 91.47% | 98.09% | 99.07% | 102.64% | 94.35% | 96.45% |

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

**CITY OF ASHEBORO**

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 2,102,852 | $ 1,803,812 | $ 1,536,146 | $ 1,259,235 | $ 1,131,925 | $ 1,109,939 | $ 985,481 | $ 1,056,238 | $ 1,043,927 |
| Contributions in relation to the contractually required contribution | 2,102,852 | 1,803,812 | 1,536,146 | 1,259,235 | 1,131,925 | 1,109,939 | 985,481 | 1,056,238 | 1,043,927 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| City's covered payroll | $ 18,321,622 | $ 17,547,047 | $ 16,883,270 | $ 15,941,762 | $ 14,795,708 | $ 15,004,942 | $ 14,598,118 | $ 14,770,443 | $ 14,660,663 |
| Contributions as a percentage of covered payroll | 11.48% | 10.28% | 9.10% | 7.90% | 7.65% | 7.40% | 6.75% | 7.15% | 7.12% |

Notes to the schedule:
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**

## 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 OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

| | 2022 | | |
|---|---|---|---|
| | Budget | Actual | Variance Positive (Negative) |
| **Revenues:** | | | |
| Ad Valorem Taxes: | | | |
| Current Year | $ 16,749,671 | $ 17,727,629 | $ 977,958 |
| Prior Years | - | 50,388 | 50,388 |
| Penalties and Interest | 25,626 | 28,251 | 2,625 |
| Total | 16,775,297 | 17,806,268 | 1,030,971 |
| Other Taxes and Licenses: | | | |
| Gross Receipts Tax on Short-Term Rental Property | 40,709 | 52,185 | 11,476 |
| Animal Taxes | 140 | 595 | 455 |
| Privilege Licenses | 2,027 | 1,640 | (387) |
| Total | 42,876 | 54,420 | 11,544 |
| Intergovernmental Revenues: | | | |
| Unrestricted: | | | |
| Local Option Sales Tax | 5,445,243 | 6,799,197 | 1,353,954 |
| Utilities Franchise Tax | 2,489,883 | 2,446,885 | (42,998) |
| Hold Harmless | 1,244,975 | 2,196,568 | 951,593 |
| Court Fees | 6,442 | 8,967 | 2,525 |
| Beer and Wine Tax | 111,182 | 107,916 | (3,266) |
| ABC Profit Distribution | 267,000 | 580,000 | 313,000 |
| Payment in Lieu of Taxes | 37,737 | 45,300 | 7,563 |
| Total | 9,602,462 | 12,184,833 | 2,582,371 |
| Restricted: | | | |
| State Street Aid Allocation | 629,274 | 763,646 | 134,372 |
| Solid Waste Disposal | 19,421 | 20,501 | 1,080 |
| N.C. Department of Environmental Quality Grant | - | 10,000 | 10,000 |
| U.S. Justice Allocation | 70,000 | 130,366 | 60,366 |
| Other | - | 13,317 | 13,317 |
| ABC Revenue for Law Enforcement | 20,400 | 37,236 | 16,836 |
| Total | 739,095 | 975,066 | 235,971 |
| Permits and Fees: | | | |
| Building Permits and Inspection Fees | 172,729 | 205,540 | 32,811 |
| Franchise Fees | 15,198 | - | (15,198) |
| Rezoning and Cemetery Fees | 25,470 | 30,845 | 5,375 |
| Total | 213,397 | 236,385 | 22,988 |
| Sales and Services: | | | |
| Rents and Concessions | 24,932 | 60,013 | 35,081 |
| Cemeteries | 11,110 | 13,420 | 2,310 |
| Recreation Service Revenues | 252,230 | 372,529 | 120,299 |
| Refuse Collection | 1,787,328 | 1,931,619 | 144,291 |
| Contracted Maintenance - NCDOT | 14,794 | 21,603 | 6,809 |
| Airport Revenue | 14,496 | 81,501 | 67,005 |
| Total | $ 2,104,890 | $ 2,480,685 | $ 375,795 |

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

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

| | 2022 | | |
|---|---|---|---|
| | Budget | Actual | Variance Positive (Negative) |
| **Revenues (Concluded):** | | | |
| Investment Earnings | $ - | $ 30,048 | $ 30,048 |
| Miscellaneous: | | | |
| Sales of Material and Services | 26,570 | 120,755 | 94,185 |
| Reimbursements | 263,181 | 287,364 | 24,183 |
| Other | 100,888 | 167,193 | 66,305 |
| Total | 390,639 | 575,312 | 184,673 |
| **Total Revenues** | 29,868,656 | 34,343,017 | 4,474,361 |
| **Expenditures:** | | | |
| General Government: | | | |
| Governing Body: | | | |
| Salaries and Employee Benefits | | 110,119 | |
| Other Operating Expenditures | | 19,421 | |
| Total | 137,155 | 129,540 | 7,615 |
| Administration: | | | |
| Salaries and Employee Benefits | | 172,154 | |
| Operating Expenditures | | 90,278 | |
| Total | 270,372 | 262,432 | 7,940 |
| Information Technology: | | | |
| Salaries and Employee Benefits | | 262,879 | |
| Operating Expenditures | | 170,479 | |
| Capital Outlay | | 27,859 | |
| Total | 471,622 | 461,217 | 10,405 |
| Finance: | | | |
| Salaries and Employee Benefits | | 140,630 | |
| Operating Expenditures | | 117,729 | |
| Total | 260,308 | 258,359 | 1,949 |
| Public Buildings: | | | |
| Operating Expenditures | | 105,159 | |
| Total | 135,990 | 105,159 | 30,831 |
| Tax Collections: | | | |
| Tax Collection Fees | | 265,520 | |
| Total | 305,000 | 265,520 | 39,480 |
| Legal Services: | | | |
| Salaries and Employee Benefits | | 207,455 | |
| Operating Expenditures | | 18,280 | |
| Total | $ 246,587 | $ 225,735 | $ 20,852 |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

| | 2022 | | |
|---|---|---|---|
| | Budget | Actual | Variance Positive (Negative) |
| **Expenditures (Continued):** | | | |
| General Government (Concluded): | | | |
| Planning and Zoning: | | | |
| Salaries and Employee Benefits | $ | $ 466,927 | $ |
| Other Operating Expenditures | | 483,520 | |
| Total | 1,428,631 | 950,447 | 478,184 |
| City Shop: | | | |
| Salaries and Employee Benefits | | 978,018 | |
| Operating Expenditures | | 473,748 | |
| Capital Outlay | | 39,990 | |
| Reimbursement - Proprietary Fund | | (162,640) | |
| Total | 1,595,294 | 1,329,116 | 266,178 |
| Human Resources: | | | |
| Salaries and Employee Benefits | | 236,261 | |
| Operating Expenditures | | 92,461 | |
| Capital Outlay | | 3,745 | |
| Total | 344,565 | 332,467 | 12,098 |
| Total General Government | 5,195,524 | 4,319,992 | 875,532 |
| Public Safety: | | | |
| Police: | | | |
| Salaries and Employee Benefits | | 7,222,052 | |
| Operating Expenditures | | 1,749,679 | |
| Capital Outlay | | 276,635 | |
| Total | 9,573,722 | 9,248,366 | 325,356 |
| Fire: | | | |
| Salaries and Employee Benefits | | 4,860,542 | |
| Operating Expenditures | | 941,600 | |
| Capital Outlay | | 3,909 | |
| Total | 5,893,354 | 5,806,051 | 87,303 |
| Inspections: | | | |
| Salaries and Employee Benefits | | 126,470 | |
| Operating Expenditures | | 15,225 | |
| Total | 150,019 | 141,695 | 8,324 |
| Fire Inspections: | | | |
| Salaries and Employee Benefits | | 234,422 | |
| Operating Expenditures | | 13,717 | |
| Total | 261,399 | 248,139 | 13,260 |
| Total Public Safety | $ 15,878,494 | $ 15,444,251 | $ 434,243 |

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

| | 2022 | | |
|---|---|---|---|
| | Budget | Actual | Variance Positive (Negative) |
| **Expenditures (Continued):** | | | |
| Transportation: | | | |
| Operations: | | | |
| Salaries and Employee Benefits | $ | $ 626,241 | $ |
| Operating Expenditures | | 241,595 | |
| Capital Outlay | | 32,131 | |
| Total | 1,011,627 | 899,967 | 111,660 |
| Street and Highways: | | | |
| Salaries and Employee Benefits | | 1,283,618 | |
| Operating Expenditures | | 1,095,978 | |
| Capital Outlay | | 462,276 | |
| Total | 3,680,142 | 2,841,872 | 838,270 |
| City Engineer Office: | | | |
| Salaries and Employee Benefits | | 186,123 | |
| Operating Expenditures | | 44,703 | |
| Capital Outlay | | 4,750 | |
| Total | 293,230 | 235,576 | 57,654 |
| Airport Authority: | | | |
| Operating Expenditures | | 235,152 | |
| Total | 243,315 | 235,152 | 8,163 |
| Total Transportation | 5,228,314 | 4,212,567 | 1,015,747 |
| Environmental Protection: | | | |
| Sanitation: | | | |
| Salaries and Employee Benefits | | 802,567 | |
| Operating Expenditures | | 1,025,467 | |
| Capital Outlay | | 450,781 | |
| Total | 2,393,259 | 2,278,815 | 114,444 |
| Total Environmental Protection | 2,393,259 | 2,278,815 | 114,444 |
| Cultural and Recreational: | | | |
| Recreation: | | | |
| Salaries and Employee Benefits | | 1,076,012 | |
| Operating Expenditures | | 792,596 | |
| Capital Outlay | | 37,536 | |
| Total | $ 1,794,072 | $ 1,906,144 | $ (112,072) |

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

Schedule 1
(Page 5 of 5)

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

| | 2022 | | |
|---|---|---|---|
| | Budget | Actual | Variance Positive (Negative) |
| **Expenditures (Concluded):** | | | |
| Cultural and Recreational (Concluded): | | | |
| Grounds Maintenance: | | | |
| Salaries and Employee Benefits | $ | $ 1,379,282 | $ |
| Operating Expenditures | | 677,938 | |
| Capital Outlay | | 32,020 | |
| Total | 2,454,689 | 2,089,240 | 365,449 |
| Golf Course: | | | |
| Salaries and Employee Benefits | | 130,084 | |
| Operating Expenditures | | 103,059 | |
| Total | 236,003 | 233,143 | 2,860 |
| Arts and Cultural Services: | | | |
| Salaries and Employee Benefits | | 103,794 | |
| Operating Expenditures | | 305,213 | |
| Total | 489,757 | 409,007 | 80,750 |
| Library: | | | |
| Operating Expenditures | 164,884 | 158,250 | 6,634 |
| Total Cultural and Recreational | 5,139,405 | 4,795,784 | 343,621 |
| Debt Service: | | | |
| Principal Retirement | | 772,490 | |
| Interest and Fees | | 39,295 | |
| Total Debt Service | 821,973 | 811,785 | 10,188 |
| **Total Expenditures** | 34,656,969 | 31,863,194 | 2,793,775 |
| **Revenues Over (Under) Expenditures** | (4,788,313) | 2,479,823 | 7,268,136 |
| **Other Financing Sources (Uses):** | | | |
| Transfers to Other Funds: | | | |
| To Economic and Tourism Development Fund | (636,000) | (586,000) | 50,000 |
| To Zoo City Park Sportsplex Fund | (2,414,355) | (2,414,355) | - |
| To Airport Improvement Fund | (16,700) | (16,700) | - |
| To Airport Improvement Fund II | (12,538) | (12,538) | - |
| To McCrary Ballpark Improvements Fund | (1,597,000) | (1,597,000) | - |
| Installment Purchase Obligations Issued | 2,207,000 | 2,070,000 | (137,000) |
| **Total Other Financing Sources (Uses)** | (2,469,593) | (2,556,593) | (87,000) |
| **Appropriated Fund Balance** | 7,257,906 | - | (7,257,906) |
| **Net Change in Fund Balance** | $ - | (76,770) | $ (76,770) |
| **Fund Balance:** | | | |
| Beginning of Year, July 1 | | 21,516,140 | |
| End of Year, June 30 | | $ 21,439,370 | |

**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 Sidewalk Improvements Project Special Revenue Fund.* This fund accounts for City commitments and grant funds to address sidewalk infrastructure in certain areas of the City.

*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 Airport Improvements Capital Project Fund*. This fund accounts for Federal Aviation Administration and State Aid to Airport grant funding to further extend, widen and strengthen the airport runway.

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

*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.

*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**
COMBINING BALANCE SHEET

Schedule 2

NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

| | Special Revenue Funds | | | | | Capital Project Funds | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asheboro Housing Development | Economic and Tourism Development Fund | Sidewalk Improvements Project Fund | CDBG Coronavirus (CDBG-CV) Fund | Total Nonmajor Special Revenue Funds | Airport Improvements Project Fund | David and Pauline Jarrell Center City Garden Project Fund | Zoo City Park Sportsplex Fund | McCrary Ballpark Improvements Fund | Airport Improvements Project Fund II | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
| **Assets:** | | | | | | | | | | | | |
| Current Assets: | | | | | | | | | | | | |
| Cash and Cash Equivalents | $ 334,307 | $ 220,020 | $ - | $ - | $ 554,327 | $ - | $ - | $ - | $ - | $ - | $ - | $ 554,327 |
| Restrictd Cash | - | - | 45,876 | - | 45,876 | 622,930 | 72,600 | 1,866,419 | 1,284,307 | 54,889 | 3,901,145 | 3,947,021 |
| Accounts Receivable | 14,513 | - | - | - | 14,513 | - | - | - | - | - | - | 14,513 |
| Note Receivable | 351,910 | - | - | - | 351,910 | - | - | - | - | - | - | 351,910 |
| Due From Other Governments | - | - | - | 54,118 | 54,118 | 174,645 | - | 8,655 | 2,235 | - | 185,535 | 239,653 |
| **Total Assets** | $ 700,730 | $ 220,020 | $ 45,876 | $ 54,118 | $ 1,020,744 | $ 797,575 | $ 72,600 | $ 1,875,074 | $ 1,286,542 | $ 54,889 | $ 4,086,680 | $ 5,107,424 |
| **Liabilities, Deferred Inflows of Resources and Fund Balances:** | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | |
| Accounts Payable and Accrued Liabilities | $ - | $ 23,200 | $ - | $ - | $ 23,200 | $ - | $ - | $ - | $ - | $ - | $ - | $ 23,200 |
| Payable From Restricted Assets | - | - | - | - | - | 30,388 | - | 8,859 | 868,249 | - | 907,496 | 907,496 |
| Retainage Payable | - | - | - | - | - | 9,273 | - | 132,630 | - | - | 141,903 | 141,903 |
| Due to Other Funds | - | - | - | 34,118 | 34,118 | 350,000 | - | | - | 79,557 | 429,557 | 463,675 |
| **Total Liabilities** | - | 23,200 | - | 34,118 | 57,318 | 389,661 | - | 141,489 | 868,249 | 79,557 | 1,478,956 | 1,536,274 |
| Deferred Inflows of Resources: | | | | | | | | | | | | |
| Accounts Receivable | 14,513 | - | - | - | 14,513 | - | - | - | - | - | - | 14,513 |
| Fund Balances: | | | | | | | | | | | | |
| Restricted: | | | | | | | | | | | | |
| Stabilization by State Statute | 351,910 | - | - | 54,118 | 406,028 | 174,645 | - | 8,655 | 2,235 | - | 185,535 | 591,563 |
| Economic and Physical Development | - | - | 45,876 | - | 45,876 | - | - | - | - | - | - | 45,876 |
| Capital Projects | - | - | - | - | - | 233,269 | - | - | 416,058 | - | 649,327 | 649,327 |
| Committed: | | | | | - | | | | | | - | |
| Capital Projects | - | - | - | - | - | - | 72,600 | 1,724,930 | - | - | 1,797,530 | 1,797,530 |
| Economic and Physical Development | 334,307 | 196,820 | - | - | 531,127 | - | - | - | - | - | - | 531,127 |
| Unassigned | - | - | - | (34,118) | (34,118) | - | - | - | - | (24,668) | (24,668) | (58,786) |
| Total Fund Balances | 686,217 | 196,820 | 45,876 | 20,000 | 948,913 | 407,914 | 72,600 | 1,733,585 | 418,293 | (24,668) | 2,607,724 | 3,556,637 |
| **Total Liabilities, Deferred Inflows of of Resources and Fund Balances** | $ 700,730 | $ 220,020 | $ 45,876 | $ 54,118 | $ 1,020,744 | $ 797,575 | $ 72,600 | $ 1,875,074 | $ 1,286,542 | $ 54,889 | $ 4,086,680 | $ 5,107,424 |

**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, 2022

| | Special Revenue Funds | | | | | Capital Project Funds | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asheboro Housing Development | Economic and Tourism Development Fund | Sidewalk Improvements Project Fund | CDBG Coronavirus (CDBG-CV) Fund | Total Nonmajor Special Revenue Funds | Airport Improvements Project Fund | David and Pauline Jarrell Center City Garden Project Fund | Zoo City Park Sportsplex Fund | McCrary Ballpark Improvements Fund | Airport Improvements Project Fund II | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
| **Revenues:** | | | | | | | | | | | | |
| Restricted Intergovernmental | $ - | $ - | $ - | $ 162,354 | $ 162,354 | $ 199,322 | $ - | $ - | $ - | $ 46,516 | $ 245,838 | $ 408,192 |
| Restricted Other | - | - | 35,000 | - | 35,000 | - | - | 204,230 | 1,100,164 | - | 1,304,394 | 1,339,394 |
| Investment Earnings | 8,215 | - | - | - | 8,215 | - | - | - | - | - | - | 8,215 |
| Miscellaneous | 300 | - | - | - | 300 | - | - | - | - | - | - | 300 |
| **Total Revenues** | 8,515 | - | 35,000 | 162,354 | 205,869 | 199,322 | - | 204,230 | 1,100,164 | 46,516 | 1,550,232 | 1,756,101 |
| **Expenditures:** | | | | | | | | | | | | |
| Economic and Physical Development | - | 596,677 | 618 | 162,354 | 759,649 | - | - | - | - | - | - | 759,649 |
| Capital Outlay | - | - | - | - | - | 253,653 | 18,195 | 3,562,414 | 2,278,871 | 83,722 | 6,196,855 | 6,196,855 |
| **Total Expenditures** | - | 596,677 | 618 | 162,354 | 759,649 | 253,653 | 18,195 | 3,562,414 | 2,278,871 | 83,722 | 6,196,855 | 6,956,504 |
| **Revenues Over (Under) Expenditures** | 8,515 | (596,677) | 34,382 | - | (553,780) | (54,331) | (18,195) | (3,358,184) | (1,178,707) | (37,206) | (4,646,623) | (5,200,403) |
| **Other Financing Sources (Uses):** | | | | | | | | | | | | |
| Transfers From Other Funds: | | | | | | | | | | | | |
| From General Fund | - | 586,000 | - | - | 586,000 | 16,700 | - | 2,414,355 | 1,597,000 | 12,538 | 4,040,593 | 4,626,593 |
| From Water and Sewer Fund | - | - | - | - | - | - | - | 320,790 | - | - | 320,790 | 320,790 |
| Transfers to Other Funds: | | | | | | | | | | | | |
| To General Fund | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Other Financing Sources (Uses)** | - | 586,000 | - | - | 586,000 | 16,700 | - | 2,735,145 | 1,597,000 | 12,538 | 4,361,383 | 4,947,383 |
| **Net Change in Fund Balances** | 8,515 | (10,677) | 34,382 | - | 32,220 | (37,631) | (18,195) | (623,039) | 418,293 | (24,668) | (285,240) | (253,020) |
| **Fund Balances:** | | | | | | | | | | | | |
| Beginning of Year, July 1 | 677,702 | 207,497 | 11,494 | 20,000 | 916,693 | 445,545 | 90,795 | 2,356,624 | - | - | 2,892,964 | 3,809,657 |
| End of Year, June 30 | $ 686,217 | $ 196,820 | $ 45,876 | $ 20,000 | $ 948,913 | $ 407,914 | $ 72,600 | $ 1,733,585 | $ 418,293 | $ (24,668) | $ 2,607,724 | $ 3,556,637 |

**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, 2022

| | Project Authorization | Actual: Prior Years | Actual: Current Year | Actual: Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Restricted Intergovernmental Revenues: | | | | | |
| HOME Program Grant | $ 375,000 | $ 375,000 | $ - | $ 375,000 | $ - |
| Urgent Repair Grant - N.C. Housing Finance | 150,000 | 129,840 | - | 129,840 | (20,160) |
| Investment Earnings | - | 89,650 | 8,215 | 97,865 | 97,865 |
| Miscellaneous: | | | | | |
| Program Income - Repayments | 343,267 | 348,542 | 300 | 348,842 | 5,575 |
| **Total Revenues** | 868,267 | 943,032 | 8,515 | 951,547 | 83,280 |
| **Expenditures:** | | | | | |
| Economic and Physical Development: | | | | | |
| Mill Lofts Rehabilitation | 560,000 | - | - | - | 560,000 |
| Downtown Improvements | 2,500 | 2,500 | - | 2,500 | - |
| Urgent Repair Grant: | | | | | |
| Professional Services | 5,000 | 5,000 | - | 5,000 | - |
| Construction | 166,000 | 127,590 | - | 127,590 | 38,410 |
| 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 |
| **Total Expenditures** | 1,271,267 | 668,330 | - | 668,330 | 602,937 |
| **Revenues Over (Under) Expenditures** | (403,000) | 274,702 | 8,515 | 283,217 | 686,217 |
| **Other Financing Sources (Uses):** | | | | | |
| 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) | - |
| **Total Other Financing Sources (Uses)** | 403,000 | 403,000 | - | 403,000 | - |
| **Net Change in Fund Balance** | $ - | $ 677,702 | 8,515 | $ 686,217 | $ 686,217 |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | 677,702 | | |
| End of Year, June 30 | | | $ 686,217 | | |

**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, 2022

| | Project Authorization | Actual: Prior Years | Actual: Current Year | Actual: Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| 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) |
| **Total Revenues** | 1,423,778 | 1,512,308 | - | 1,512,308 | 92,530 |
| **Expenditures:** | | | | | |
| 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 | 669,400 | 100,000 | 769,400 | 80,000 |
| Starpet | 325,000 | 325,000 | - | 325,000 | - |
| N.C. Zoological Society | 100,000 | 100,000 | - | 100,000 | - |
| N.C. Zoo Feasiblity 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 | 255,000 | 230,000 | 25,000 | 255,000 | - |
| Chamber of Commerce - Main Street Program | 50,000 | 20,833 | 25,000 | 45,833 | 4,167 |
| Chamber of Commerce - Media Campaign | 30,000 | 29,910 | - | 29,910 | 90 |
| Chamber of Commerce - Venture Asheboro | 50,000 | - | 25,000 | 25,000 | 25,000 |
| Asheboro Downtown, Inc. | 212,000 | 100,000 | 86,845 | 186,845 | 25,155 |
| Downtown Redevelopment | 648,000 | 204,396 | 99,832 | 304,228 | 343,772 |
| Highway 64 Branding | 185,000 | - | 185,000 | 185,000 | - |
| Economic Development Corporation | 516,000 | 461,000 | 50,000 | 511,000 | 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 | 50,000 | - | - | - | 50,000 |
| Local Transportation Study | 25,000 | - | - | - | 25,000 |
| Kayser Roth | 25,000 | 25,000 | - | 25,000 | - |
| **Total Expenditures** | 8,626,520 | 7,438,802 | 596,677 | 8,035,479 | 591,041 |
| **Revenues Over (Under) Expenditures** | (7,202,742) | (5,926,494) | (596,677) | (6,523,171) | 679,571 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers From Other Funds: | | | | | |
| General Fund | 4,256,220 | 1,880,141 | 586,000 | 2,466,141 | (1,790,079) |
| Water and Sewer Fund | 3,094,022 | 4,401,350 | - | 4,401,350 | 1,307,328 |
| Transfers to Other Funds: | | | | | |
| General Fund | (147,500) | (147,500) | - | (147,500) | - |
| **Total Other Financing Sources (Uses)** | 7,202,742 | 6,133,991 | 586,000 | 6,719,991 | (482,751) |
| **Net Change in Fund Balance** | $ - | $ 207,497 | (10,677) | $ 196,820 | $ 196,820 |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | 207,497 | | |
| End of Year, June 30 | | | $ 196,820 | | |

**CITY OF ASHEBORO, NORTH CAROLINA**

Schedule 6

SPECIAL REVENUE FUND - SIDEWALK IMPROVEMENTS PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual: Prior Years | Actual: Current Year | Actual: Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Restricted Intergovernmental Revenues: | | | | | |
| NCDOT Grant | $ 174,000 | $ 51,540 | $ - | $ 51,540 | $ (122,460) |
| Randolph Community College | 35,000 | - | 35,000 | 35,000 | - |
| **Total Revenues** | 209,000 | 51,540 | 35,000 | 86,540 | (122,460) |
| **Expenditures:** | | | | | |
| Economic and Physical Development: | | | | | |
| Professional Services | 25,000 | - | - | - | 25,000 |
| Land Acquisition and Easements | 857 | 857 | - | 857 | - |
| Construction | 148,100 | 66,689 | 618 | 67,307 | 80,793 |
| Construction Administration | 22,200 | - | - | - | 22,200 |
| NCDOT Oversight | 21,700 | - | - | - | 21,700 |
| Miscellaneous | 18,643 | - | - | - | 18,643 |
| **Total Expenditures** | 236,500 | 67,546 | 618 | 68,164 | 168,336 |
| **Revenues Over (Under) Expenditures** | (27,500) | (16,006) | 34,382 | 18,376 | 45,876 |
| **Other Financing Sources:** | | | | | |
| Transfers From Other Funds: | | | | | |
| General Fund | 27,500 | 27,500 | - | 27,500 | - |
| **Total Other Financing Sources** | 27,500 | 27,500 | - | 27,500 | - |
| **Net Change in Fund Balance** | $ - | $ 11,494 | 34,382 | $ 45,876 | $ 45,876 |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | 11,494 | | |
| End of Year, June 30 | | | $ 45,876 | | |

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

Schedule 7

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual: Prior Years | Actual: Current Year | Actual: Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Restricted Intergovernmental Revenues: | | | | | |
| Community Development Block Grant | $ 900,000 | $ - | $ 162,354 | $ 162,354 | $ (737,646) |
| **Total Revenues** | 900,000 | - | 162,354 | 162,354 | (737,646) |
| **Expenditures:** | | | | | |
| Economic and Physical Development: | | | | | |
| Administration | 90,000 | - | 59,412 | 59,412 | 30,588 |
| Public Services | 830,000 | - | 102,942 | 102,942 | 727,058 |
| **Total Expenditures** | 920,000 | - | 162,354 | 162,354 | 757,646 |
| **Revenues Over (Under) Expenditures** | (20,000) | - | - | - | 20,000 |
| **Other Financing Sources:** | | | | | |
| Transfers From Other Funds: | | | | | |
| General Fund | 20,000 | 20,000 | - | 20,000 | - |
| **Total Other Financing Sources** | 20,000 | 20,000 | - | 20,000 | - |
| **Net Change in Fund Balance** | $ - | $ 20,000 | - | $ 20,000 | $ 20,000 |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | 20,000 | | |
| End of Year, June 30 | | | $ 20,000 | | |

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

Schedule 8

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual: Prior Years | Actual: Current Year | Actual: Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Restricted Intergovernmental: | | | | | |
| Federal Grants | $ 4,798,526 | $ 4,511,161 | $ 24,677 | $ 4,535,838 | $ (262,688) |
| State Grants | 4,128,500 | 3,047,477 | 174,645 | 3,222,122 | (906,378) |
| Investment Earnings | 15,000 | 30,196 | - | 30,196 | 15,196 |
| **Total Revenues** | 8,942,026 | 7,588,834 | 199,322 | 7,788,156 | (1,153,870) |
| **Expenditures:** | | | | | |
| Capital Outlay: | | | | | |
| Professional Services | 1,255,070 | 1,256,586 | 68,209 | 1,324,795 | (69,725) |
| Administration | 116,443 | 112,569 | - | 112,569 | 3,874 |
| Contractors | 7,828,962 | 6,335,369 | 185,444 | 6,520,813 | 1,308,149 |
| Land | 579,718 | 521,926 | - | 521,926 | 57,792 |
| ALP Update | 195,312 | 188,195 | - | 188,195 | 7,117 |
| Miscellaneous | 118,950 | 92,420 | - | 92,420 | 26,530 |
| Contingency | 177 | - | - | - | 177 |
| **Total Expenditures** | 10,094,632 | 8,507,065 | 253,653 | 8,760,718 | 1,333,914 |
| **Revenues Over (Under) Expenditures** | (1,152,606) | (918,231) | (54,331) | (972,562) | 180,044 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers From Other Funds: | | | | | |
| General Fund | 1,498,596 | 1,541,776 | 16,700 | 1,558,476 | 59,880 |
| Transfers to Other Funds: | | | | | |
| General Fund | (345,990) | (178,000) | - | (178,000) | 167,990 |
| **Total Other Financing Sources (Uses)** | 1,152,606 | 1,363,776 | 16,700 | 1,380,476 | 227,870 |
| **Net Change in Fund Balance** | $ - | $ 445,545 | (37,631) | $ 407,914 | $ 407,914 |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | 445,545 | | |
| End of Year, June 30 | | | $ 407,914 | | |

**CITY OF ASHEBORO, NORTH CAROLINA**

Schedule 9

CAPITAL PROJECT FUND - DAVID AND PAULINE JARRELL CENTER CITY GARDEN PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual: Prior Years | Actual: Current Year | Actual: Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Expenditures:** | | | | | |
| Capital Outlay: | | | | | |
| Professional Services | 107,000 | 16,205 | 18,195 | 34,400 | 72,600 |
| **Total Expenditures** | 107,000 | 16,205 | 18,195 | 34,400 | 72,600 |
| **Other Financing Sources:** | | | | | |
| Transfers From Other Funds: | | | | | |
| General Fund | 107,000 | 107,000 | - | 107,000 | - |
| **Total Other Financing Sources:** | 107,000 | 107,000 | - | 107,000 | - |
| **Net Change in Fund Balance** | $ - | $ 90,795 | (18,195) | $ 72,600 | $ 72,600 |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | 90,795 | | |
| End of Year, June 30 | | | $ 72,600 | | |

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

Schedule 10

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual: Prior Years | Actual: Current Year | Actual: Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Restricted Intergovernmental Revenues: | | | | | |
| Randolph County | $ - | $ 200,000 | $ - | $ 200,000 | $ 200,000 |
| PARTF Grant | 500,000 | - | - | - | (500,000) |
| Contributions | 510,180 | 448,188 | 204,230 | 652,418 | 142,238 |
| **Total Revenues** | 1,010,180 | 648,188 | 204,230 | 852,418 | (157,762) |
| **Expenditures:** | | | | | |
| Capital Outlay: | | | | | |
| Professional Services | 86,680 | 19,180 | - | 19,180 | 67,500 |
| Construction | 7,277,145 | 2,882,524 | 2,571,761 | 5,454,285 | 1,822,860 |
| Land Acquisition | 250,000 | 250,000 | - | 250,000 | - |
| Field Turf | 991,000 | - | 990,653 | 990,653 | 347 |
| Administration | 1,500 | 860 | - | 860 | 640 |
| **Total Expenditures** | 8,606,325 | 3,152,564 | 3,562,414 | 6,714,978 | 1,891,347 |
| **Revenues Over (Under) Expenditures** | (7,596,145) | (2,504,376) | (3,358,184) | (5,862,560) | 1,733,585 |
| **Other Financing Sources:** | | | | | |
| Transfers From Other Funds: | | | | | |
| Water and Sewer Fund | 320,790 | - | 320,790 | 320,790 | - |
| General Fund | 7,275,355 | 4,861,000 | 2,414,355 | 7,275,355 | - |
| **Total Other Financing Sources:** | 7,596,145 | 4,861,000 | 2,735,145 | 7,596,145 | - |
| **Net Change in Fund Balance** | $ - | $ 2,356,624 | (623,039) | $ 1,733,585 | $ 1,733,585 |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | 2,356,624 | | |
| End of Year, June 30 | | | $ 1,733,585 | | |

**CITY OF ASHEBORO, NORTH CAROLINA**

CAPITAL PROJECT FUND - MCCRARY BALLPARK IMPROVEMENT PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual: Prior Years | Actual: Current Year | Actual: Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Contributions | $ 1,100,000 | $ - | $ 1,100,164 | $ 1,100,164 | $ 164 |
| **Total Revenues** | 1,100,000 | - | 1,100,164 | 1,100,164 | 164 |
| **Expenditures:** | | | | | |
| Capital Outlay: | | | | | |
| Construction Management | 114,000 | - | - | - | 114,000 |
| Architect and Engineering | 550,000 | - | 397,306 | 397,306 | 152,694 |
| Construction - Field Turf and Retaining Wall | 1,897,000 | - | 1,881,565 | 1,881,565 | 15,435 |
| **Total Expenditures** | 2,561,000 | - | 2,278,871 | 2,278,871 | 282,129 |
| **Revenues Over (Under) Expenditures** | (1,461,000) | - | (1,178,707) | (1,178,707) | 282,293 |
| **Other Financing Sources:** | | | | | |
| Transfers From Other Funds: | | | | | |
| General Fund | 1,461,000 | - | 1,597,000 | 1,597,000 | 136,000 |
| **Total Other Financing Sources:** | 1,461,000 | - | 1,597,000 | 1,597,000 | 136,000 |
| **Net Change in Fund Balance** | $ - | $ - | 418,293 | $ 418,293 | $ 418,293 |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | - | | |
| End of Year, June 30 | | | $ 418,293 | | |

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

Schedule 12

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual Prior Years | Actual Current Year | Actual Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Restricted Intergovernmental: | | | | | |
| Federal Grants | $ 1,245,000 | $ - | $ 46,516 | $ 46,516 | $ (1,198,484) |
| **Total Revenues** | 1,245,000 | - | 46,516 | 46,516 | (1,198,484) |
| **Expenditures:** | | | | | |
| Capital Outlay: | | | | | |
| Professional Services | 83,722 | - | 83,722 | 83,722 | - |
| Construction Administration | 127,000 | - | - | - | 127,000 |
| Construction | 1,041,650 | - | - | - | 1,041,650 |
| Miscellaneous | 105,166 | - | - | - | 105,166 |
| **Total Expenditures** | 1,357,538 | - | 83,722 | 83,722 | 1,273,816 |
| **Revenues Over (Under) Expenditures** | (112,538) | - | (37,206) | (37,206) | 75,332 |
| **Other Financing Sources:** | | | | | |
| Transfers From Other Funds: | | | | | |
| General Fund | 112,538 | - | 12,538 | 12,538 | (100,000) |
| **Total Other Financing Sources** | 112,538 | - | 12,538 | 12,538 | (100,000) |
| **Net Change in Fund Balance** | $ - | $ - | (24,668) | $ (24,668) | $ (24,668) |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | - | | |
| End of Year, June 30 | | | $ (24,668) | | |

**CITY OF ASHEBORO,**
**NORTH CAROLINA**

Other Major Funds

Capital Project Funds:

*The American Rescue Plan 2021 Special Revenue Fund*. This fund accounts for grant funds to be used for water, sewer and broadband infrastructure and other allowable uses.

*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 - AMERICAN RESCUE PLAN ACT 2021 FUND

Schedule 13

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual Prior Years | Actual Current Year | Actual Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Restricted Intergovernmental Revenues: | | | | | |
| American Rescue Plan Act Grant | $ 8,267,010 | $ - | $ - | $ - | $ (8,267,010) |
| **Total Revenues** | 8,267,010 | - | - | - | (8,267,010) |
| **Expenditures:** | | | | | |
| Economic and Physical Development: | | | | | |
| Zoo City Sportsplex - Water and Sewer | - | - | - | - | - |
| Commerce Drive - Water and Sewer | - | - | - | - | - |
| Highway 64 East - Water and Sewer | - | - | - | - | - |
| Broadband Internet | - | - | - | - | - |
| Lake Lucas Valve Replacement | - | - | - | - | - |
| Other | 8,267,010 | - | - | - | 8,267,010 |
| **Total Expenditures** | 8,267,010 | - | - | - | 8,267,010 |
| **Revenues Over (Under) Expenditures** | - | - | - | - | - |
| **Net Change in Fund Balance** | $ - | $ - | - | $ - | $ - |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | - | | |
| End of Year, June 30 | | | $ - | | |

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

Schedule 14

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual Prior Years | Actual Current Year | Actual Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Restricted Intergovernmental Revenues: | | | | | |
| N.C. Office of State Budget and Management | $ 5,100,000 | $ - | $ - | $ - | $ (5,100,000) |
| **Total Revenues** | 5,100,000 | - | - | - | (5,100,000) |
| **Expenditures:** | | | | | |
| Economic and Physical Development: | | | | | |
| Fire Station Capital Improvements - Unallocated | 1,900,000 | - | - | - | 1,900,000 |
| Downtown Facilities | 1,500,000 | - | - | - | 1,500,000 |
| Acme Mill Purcahse | 1,000,000 | - | - | - | 1,000,000 |
| Acme Mill Miscellaneous | 500,000 | - | - | - | 500,000 |
| Capital Improvements - Unallocated | 200,000 | - | - | - | 200,000 |
| **Total Expenditures** | 5,100,000 | - | - | - | 5,100,000 |
| **Revenues Over (Under) Expenditures** | - | - | - | - | - |
| **Net Change in Fund Balance** | $ - | $ - | - | $ - | $ - |
| **Fund Balance:** | | | | | |
| Beginning of Year, July 1 | | | - | | |
| End of Year, June 30 | | | $ - | | |

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**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 Water and Sewer Systems Improvements Project Fund, which accounts for capital installation for a specific area of the City. The detail activity in this fund appears on Schedule 16. It is consolidated with the Water and Sewer Fund on Exhibit 6.

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

Schedule 15
(Page 1 of 3)

SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2022

| | 2022 | | |
|---|---|---|---|
| | Budget | Actual | Variance Positive (Negative) |
| **Revenues:** | | | |
| Operating Revenues: | | | |
| Water Sales | $ 6,600,000 | $ 6,782,862 | $ 182,862 |
| Sewer Charges | 5,126,000 | 5,235,970 | 109,970 |
| Water and Sewer Taps | 61,000 | 110,450 | 49,450 |
| Sampling and Monitoring Fees | 25,000 | 21,643 | (3,357) |
| Surcharges | 100,000 | 146,791 | 46,791 |
| Other Operating Revenues | 355,000 | 575,077 | 220,077 |
| Total Operating Revenues | 12,267,000 | 12,872,793 | 605,793 |
| Nonoperating Revenues: | | | |
| Interest Earned on Investments | - | 18,004 | 18,004 |
| Sales of Materials and Services | 18,000 | 22,451 | 4,451 |
| Grants | 149,900 | 150,000 | 100 |
| Other Nonoperating Revenues | 145,300 | 382,354 | 237,054 |
| Total Nonoperating Revenues | 313,200 | 572,809 | 259,609 |
| **Total Revenues** | 12,580,200 | 13,445,602 | 865,402 |
| **Expenditures:** | | | |
| Billing and Collections: | | | |
| Salaries and Employee Benefits | | 324,781 | |
| Supplies | | 63,532 | |
| Other Operating Expenditures | | 167,814 | |
| Total | 616,057 | 556,127 | 59,930 |
| Water Meter Operations: | | | |
| Salaries and Employee Benefits | | 563,983 | |
| Supplies | | 138,175 | |
| Other Operating Expenditures | | 46,876 | |
| Total | 805,452 | 749,034 | 56,418 |
| Water Supply and Treatment: | | | |
| Salaries and Employee Benefits | | 844,704 | |
| Supplies | | 505,223 | |
| Maintenance | | 289,480 | |
| Other Operating Expenditures | | 761,791 | |
| Total | 5,914,281 | 2,401,198 | 3,513,083 |
| Wastewater Treatment: | | | |
| Salaries and Employee Benefits | | 1,003,457 | |
| Supplies | | 284,023 | |
| Maintenance | | 371,783 | |
| Other Operating Expenditures | | 1,463,951 | |
| Total | 3,567,066 | 3,123,214 | 443,852 |
| Water Maintenance: | | | |
| Salaries and Employee Benefits | | 952,270 | |
| Supplies | | 272,715 | |
| Maintenance | | 61,853 | |
| Other Operating Expenditures | | 72,771 | |
| Total | $ 1,493,081 | $ 1,359,609 | $ 133,472 |

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

SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2022

| | 2022 | | |
|---|---|---|---|
| | Budget | Actual | Variance Positive (Negative) |
| **Expenditures (Concluded):** | | | |
| Wastewater Maintenance: | | | |
| Salaries and Employee Benefits | $ | $ 837,331 | $ |
| Supplies | | 139,382 | |
| Maintenance | | 33,290 | |
| Other Operating Expenditures | | 161,980 | |
| Total | 1,389,309 | 1,171,983 | 217,326 |
| Technical Services: | | | |
| Salaries and Employee Benefits | | 173,479 | |
| Supplies | | 20,676 | |
| Other Operating Expenditures | | 15,930 | |
| Total | 266,345 | 210,085 | 56,260 |
| Systems Maintenance: | | | |
| Salaries and Employee Benefits | | 853,680 | |
| Supplies | | 115,288 | |
| Maintenance | | 294,042 | |
| Other Operating Expenditures | | 300,740 | |
| Total | 4,437,743 | 1,563,750 | 2,873,993 |
| Water Quality: | | | |
| Salaries and Employee Benefits | | 454,348 | |
| Supplies | | 128,205 | |
| Other Operating Expenditures | | 126,732 | |
| Total | 738,631 | 709,285 | 29,346 |
| Debt Service: | | | |
| Principal on Bonds and Note | | 469,364 | |
| Interest and Fees | | 63,354 | |
| Total | 543,015 | 532,718 | 10,297 |
| Capital Outlay: | | | |
| Water Maintenance | | 137,979 | |
| Wastewater Maintenance | | 477,110 | |
| Systems Maintenance | | 31,289 | |
| Water Quality | | 74,665 | |
| Total | 721,043 | 721,043 | - |
| **Total Expenditures** | 20,492,023 | 13,098,046 | 7,393,977 |
| **Revenues Over (Under) Expenditures (Forward)** | $ (7,911,823) | $ 347,556 | $ 8,259,379 |

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

SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2022

| | 2022 | | |
|---|---|---|---|
| | Budget | Actual | Variance Positive (Negative) |
| **Revenues Over (Under) Expenditures (Brought Forward)** | $ (7,911,823) | $ 347,556 | $ 8,259,379 |
| **Other Financing Sources (Uses):** | | | |
| N.C. Department of Environmental Quality Loan | 3,705,240 | - | (3,705,240) |
| Transfers From Other Funds:. | | | |
| Water and Sewer Systems Improvement Fund | 471,888 | 471,888 | - |
| Transfers to Other Funds: | | | |
| Zoo City Park Sportsplex Fund | (320,790) | (320,790) | - |
| **Total Other Financing Sources (Uses)** | 3,856,338 | 151,098 | (3,705,240) |
| **Appropriated Fund Balance** | 4,055,485 | - | (4,055,485) |
| **Revenues Over Expenditures and Other Sources (Uses)** | $ - | $ 498,654 | $ 498,654 |
| **Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual Basis:** | | | |
| **Revenues Over Expenditures and Other Sources (Uses)** | | $ 498,654 | |
| Payment of Bond and Note Principal | | 469,364 | |
| Capital Outlay | | 721,043 | |
| Depreciation | | (2,112,452) | |
| Increase In Accrued Compensated Absences | | (44,245) | |
| Increase in OPEB Liability | | (383,149) | |
| Decrease in Deferred Outflows of Resources - OPEB | | (159,624) | |
| Decrease in Deferred Inflows of Resources - OPEB | | 26,130 | |
| Decrease in Net Pension Liability | | 1,160,614 | |
| Increase in Deferred Outflows of Resources - Pension | | 172,084 | |
| Increase in Deferred Inflows of Resources - Pensions | | (1,205,010) | |
| Decrease In Accrued Interest Expense | | 1,438 | |
| Transfer From Water and Sewer Systems Improvement Fund | | (471,888) | |
| **Total Reconciling Items** | | (1,825,695) | |
| **Change in Net Position** | | $ (1,327,041) | |

**CITY OF ASHEBORO, NORTH CAROLINA** Schedule 16

WATER AND SEWER SYSTEMS IMPROVEMENTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Year Ended June 30, 2022

| | Project Authorization | Actual Prior Years | Actual Current Year | Actual Total To Date | Variance Positive (Negative) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Miscellaneous | $ 78,990 | $ 78,990 | $ - | $ 78,990 | $ - |
| **Expenditures:** | | | | | |
| Construction - Sewer Forced Main | 444,000 | 423,613 | - | 423,613 | 20,387 |
| Construction -Pump Station | 399,000 | 362,598 | - | 362,598 | 36,402 |
| Construction | 217,494 | 213,851 | - | 213,851 | 3,643 |
| Engineering | 210,865 | 219,729 | - | 219,729 | (8,864) |
| Construction | 854,879 | 809,879 | - | 809,879 | 45,000 |
| Construction - Filter Project | 1,169,649 | 1,015,455 | - | 1,015,455 | 154,194 |
| Land Acquisition | 7,100 | 6,155 | - | 6,155 | 945 |
| Design | 11,000 | 9,250 | - | 9,250 | 1,750 |
| Meter Purchase | 447,600 | 447,600 | - | 447,600 | - |
| Miscellaneous | 27,254 | 22,879 | - | 22,879 | 4,375 |
| Contingency | 48,109 | - | - | - | 48,109 |
| Administration | 19,875 | 12,774 | - | 12,774 | 7,101 |
| **Total Expenditures** | 3,856,825 | 3,543,783 | - | 3,543,783 | 313,042 |
| **Revenues Over (Under) Expenditures** | (3,777,835) | (3,464,793) | - | (3,464,793) | 313,042 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers From Other Funds: | | | | | |
| General Fund | 12,000 | 12,000 | - | 12,000 | - |
| Water and Sewer Fund | 2,627,635 | 2,304,888 | - | 2,304,888 | (322,747) |
| Proceeds of State Water Loan | 1,610,088 | 1,619,793 | - | 1,619,793 | 9,705 |
| Transfers to Other Funds: | | | | | |
| Water and Sewer Fund | (471,888) | - | (471,888) | (471,888) | - |
| **Total Other Financing Sources (Uses)** | 3,777,835 | 3,936,681 | (471,888) | 3,464,793 | (313,042) |
| **Revenues and Other Financing Sources Over Expenditures** | $ - | $ 471,888 | $ (471,888) | $ - | $ - |

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**CITY OF ASHEBORO,**
**NORTH CAROLINA**

Capital Assets Used in the Operation of
Governmental Funds

**CITY OF ASHEBORO, NORTH CAROLINA**

Schedule 17

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULES BY SOURCE

June 30, 2022

| | 2022 | 2021 |
|---|---|---|
| **Governmental Funds Capital Assets:** | | |
| Land | $ 5,278,054 | $ 5,278,054 |
| Land Improvements | 13,169,454 | 13,074,447 |
| Buildings | 17,525,065 | 17,251,280 |
| Street Construction | 17,284,635 | 17,284,635 |
| Computer Equipment | 560,689 | 496,461 |
| Equipment | 5,785,999 | 5,359,166 |
| Vehicles | 14,928,515 | 14,926,100 |
| Construction in Progress | 10,085,467 | 3,468,697 |
| **Total Capital Assets** | $ 84,617,878 | $ 77,138,840 |
| **Investment in Governmental Funds Capital Assets - by Source:** | | |
| General Fund | $ 35,491,832 | $ 34,891,564 |
| Special Revenue Funds | 271,287 | 271,287 |
| Capital Projects Funds | 34,911,807 | 28,295,037 |
| Donations | 13,942,952 | 13,680,952 |
| | $ 84,617,878 | $ 77,138,840 |

**CITY OF ASHEBORO, NORTH CAROLINA**



CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2022

| Function and Activity | Land | Land Improvements | Buildings | Street Construction | Computer Equipment | Equipment | Vehicles | Construction In Progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **General Government:** | | | | | | | | | |
| 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 | - | 88,174 | 28,425 | 26,379 | - | 206,101 |
| Legal Services | - | - | - | - | - | - | - | - | - |
| Planning and Zoning | - | - | - | - | 16,029 | 8,142 | 35,070 | - | 59,241 |
| Public Buildings | 214,578 | 122,605 | 869,358 | - | 784 | 18,136 | 37,320 | - | 1,262,781 |
| Information Technology | - | - | - | - | 73,863 | 111,912 | - | - | 185,775 |
| City Shop | 67,274 | - | - | - | 28,855 | 316,928 | 358,021 | - | 771,078 |
| **Total General Government** | 295,760 | 130,095 | 911,083 | - | 248,406 | 497,222 | 456,790 | - | 2,539,356 |
| **Public Safety:** | | | | | | | | | |
| Police | 116,129 | 126,853 | 824,960 | - | 40,728 | 600,745 | 3,202,034 | - | 4,911,449 |
| Fire | 25,247 | 13,313 | 514,677 | - | 175,696 | 625,630 | 3,656,969 | - | 5,011,532 |
| Inspections | - | - | - | - | - | - | 2,884 | - | 2,884 |
| **Total Public Safety** | 141,376 | 140,166 | 1,339,637 | - | 216,424 | 1,226,375 | 6,861,887 | - | 9,925,865 |
| **Transportation:** | | | | | | | | | |
| Public Works | 273,697 | - | 4,751,692 | - | 17,193 | 195,544 | 313,239 | - | 5,551,365 |
| Streets | 258,238 | 169,319 | 9,800 | 17,284,635 | - | 1,113,227 | 2,718,612 | - | 21,553,831 |
| City Engineer | - | - | - | - | 33,808 | 77,191 | 57,470 | - | 168,469 |
| Airport | 1,108,313 | 10,307,038 | 1,019,966 | - | - | 429,009 | - | - | 12,864,326 |
| **Total Transportation** | 1,640,248 | 10,476,357 | 5,781,458 | 17,284,635 | 51,001 | 1,814,971 | 3,089,321 | - | 40,137,991 |
| **Environmental Protection:** | | | | | | | | | |
| Sanitation | 71,755 | - | 699,940 | - | 38,906 | 1,148,697 | 3,578,936 | - | 5,538,234 |
| **Cultural and Recreational:** | | | | | | | | | |
| Parks, Lakes and Playgrounds | 1,699,191 | 1,954,969 | 5,731,742 | - | 5,952 | 374,856 | 30,893 | - | 9,797,603 |
| Municipal Golf Course | 28,015 | 186,149 | 67,418 | - | - | - | - | - | 281,582 |
| Grounds Maintenance | 85,675 | 65,918 | 162,851 | - | - | 723,878 | 910,688 | - | 1,949,010 |
| Library | 171,418 | 11,425 | - | - | - | - | - | - | 182,843 |
| **Total Cultural and Recreational** | 1,984,299 | 2,218,461 | 5,962,011 | - | 5,952 | 1,098,734 | 941,581 | - | 12,211,038 |
| **Economic and Physical Development:** | | | | | | | | | |
| Community Promotion | 1,144,616 | 204,375 | 2,830,936 | - | - | - | - | - | 4,179,927 |
| **Construction in Progress** | - | - | - | - | - | - | - | 10,085,467 | 10,085,467 |
| **Total Governmental Funds Capital Assets** | $ 5,278,054 | $ 13,169,454 | $ 17,525,065 | $ 17,284,635 | $ 560,689 | $ 5,785,999 | $ 14,928,515 | $ 10,085,467 | $ 84,617,878 |

**CITY OF ASHEBORO, NORTH CAROLINA**

Schedule 19

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

For the Year Ended June 30, 2022

| Function and Activity | Governmental Fund Capital Assets June 30, 2021 | Additions | Retirements | Governmental Fund Capital Assets June 30, 2022 |
|---|---|---|---|---|
| **General Government:** | | | | |
| Governing Body | $ 6,631 | $ - | $ - | $ 6,631 |
| Administration | - | - | - | - |
| Personnel and City Clerk | 7,048 | - | - | 7,048 |
| Finance | 40,701 | - | - | 40,701 |
| Human Resources | 202,356 | 3,745 | - | 206,101 |
| Legal Services | - | - | - | - |
| Planning and Zoning | 59,241 | - | - | 59,241 |
| Public Buildings | 1,262,781 | - | - | 1,262,781 |
| Information Technology | 157,916 | 27,859 | - | 185,775 |
| City Shop | 769,910 | 39,990 | 38,822 | 771,078 |
| **Total General Government** | 2,506,584 | 71,594 | 38,822 | 2,539,356 |
| **Public Safety:** | | | | |
| Police | 4,868,963 | 276,635 | 234,149 | 4,911,449 |
| Fire | 5,007,623 | 3,909 | - | 5,011,532 |
| Inspections | 2,884 | - | - | 2,884 |
| **Total Public Safety** | 9,879,470 | 280,544 | 234,149 | 9,925,865 |
| **Transportation:** | | | | |
| Public Works | 5,519,234 | 32,131 | - | 5,551,365 |
| Streets | 21,361,850 | 462,276 | 270,295 | 21,553,831 |
| City Engineer | 163,719 | 4,750 | - | 168,469 |
| Airport | 12,891,326 | - | 27,000 | 12,864,326 |
| **Total Transportation** | 39,936,129 | 499,157 | 297,295 | 40,137,991 |
| **Environmental Protection:** | | | | |
| Sanitation | 5,221,217 | 450,781 | 133,764 | 5,538,234 |
| **Cultural and Recreational:** | | | | |
| Parks, Lakes and Playgrounds | 9,520,974 | 299,535 | 22,906 | 9,797,603 |
| Municipal Golf Course | 281,582 | - | - | 281,582 |
| Grounds Maintenance | 1,961,417 | 32,020 | 44,427 | 1,949,010 |
| Library | 182,843 | - | - | 182,843 |
| **Total Cultural and Recreational** | 11,946,816 | 331,555 | 67,333 | 12,211,038 |
| **Economic and Physical Development:** | | | | |
| Community Promotion | 4,179,927 | - | - | 4,179,927 |
| **Construction in Progress** | 3,468,697 | 6,616,770 | - | 10,085,467 |
| **Total Governmental Fund Capital Assets** | $ 77,138,840 | $ 8,250,401 | $ 771,363 | $ 84,617,878 |

**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 OF AD VALOREM TAXES RECEIVABLE
For the Year Ended June 30, 2022

| Fiscal Year | Balance July 1, 2021 | Additions | Collections and Credits | Balance June 30, 2022 |
|---|---|---|---|---|
| 2021-2022 | $ - | $ 17,502,045 | $ 17,424,633 | $ 77,412 |
| 2020-2021 | 72,177 | | 25,449 | 46,728 |
| 2019-2020 | 52,722 | | 31,237 | 21,485 |
| 2018-2019 | 19,067 | | 3,899 | 15,168 |
| 2017-2018 | 12,340 | | 3,406 | 8,934 |
| 2016-2017 | 5,763 | | 79 | 5,684 |
| 2015-2016 | 5,265 | | 78 | 5,187 |
| 2014-2015 | 4,317 | | 57 | 4,260 |
| 2013-2014 | 3,611 | | 39 | 3,572 |
| 2012-2013 | 3,284 | | 79 | 3,205 |
| 2011-2012 | 2,557 | | 2,557 | - |
| | $ 181,103 | $ 17,502,045 | $ 17,491,513 | 191,635 |
| Less Allowance for Uncollectible Ad Valorem Taxes Receivable | | | | (40,000) |
| Ad Valorem Taxes Receivable - Net | | | | $ 151,635 |

Reconciliation with Revenues:

| | |
|---|---|
| Ad Valorem Taxes Collected - General Fund | $ 17,806,268 |
| Discounts Allowed | 229,156 |
| Releases and Adjustments | (518,217) |
| Taxes Written Off | 2,557 |
| Interest Collected | (28,251) |
| Total Collections and Credits | $ 17,491,513 |

# CITY OF ASHEBORO, NORTH CAROLINA

## ANALYSIS OF CURRENT TAX LEVY
For the Year Ended June 30, 2022

| | City-Wide | | | Total Levy | |
|---|---|---|---|---|---|
| | Property Valuation | Rate | Total Levy | Property Excluding Registered Motor Vehicles | Registered Motor Vehicles |
| **Original Levy:** | | | | | |
| Property Taxed at Current Year's Rate | $ 2,615,348,976 | .665 | $ 17,392,071 | $ 16,193,346 | $ 1,198,725 |
| Motor Vehicles Taxed at Prior Year's Rate | - | .665 | - | | - |
| **Total** | 2,615,348,976 | | 17,392,071 | 16,193,346 | 1,198,725 |
| **Discoveries:** | | | | | |
| Current Year Taxes | 54,606,113 | .665 | 363,131 | 363,131 | - |
| Prior Years Taxes | 1,906,839 | .665 | 12,680 | 12,680 | - |
| | 56,512,952 | | 375,811 | 375,811 | - |
| **Abatements** | (39,975,447) | | (265,837) | (265,837) | - |
| **Total Valuation** | $ 2,631,886,481 | | | | |
| Net Levy | | | 17,502,045 | 16,303,320 | 1,198,725 |
| Uncollected Taxes at June 30, 2022 | | | (77,412) | (75,157) | (2,255) |
| Current Year's Taxes Collected | | | $ 17,424,633 | $ 16,228,163 | $ 1,196,470 |
| Current Levy Collection Percentage | | | 99.56% | 99.54% | 99.81% |

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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.

**Contents** **Page**

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Table 1

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities | | | | | | | | | | |
| Net Investment in capital assets | $ 21,550,155 | $ 21,135,500 | $ 20,340,527 | $ 19,418,912 | $ 20,589,583 | $ 23,074,036 | $ 23,205,351 | $ 24,956,824 | $ 27,654,745 | $ 32,218,892 |
| Restricted | 5,031,627 | 4,911,902 | 4,481,550 | 5,378,405 | 5,189,258 | 5,158,364 | 5,953,123 | 9,841,317 | 7,206,941 | 9,443,503 |
| Unrestricted | 696,013 | 165,855 | 795,862 | 4,733,514 | 6,384,294 | 2,100,510 | 3,746,958 | (173,280) | (1,092,378) | (5,516,228) |
| Total Governmental activities net position | $ 27,277,795 | $ 26,213,257 | $ 25,617,939 | $ 29,530,831 | $ 32,163,135 | $ 30,332,910 | $ 32,905,432 | $ 34,624,861 | $ 33,769,308 | $ 36,146,167 |
| Business-type activities | | | | | | | | | | |
| Net Investment in capital assets | $ 41,926,766 | $ 41,842,479 | $ 41,762,170 | $ 40,684,861 | $ 39,826,001 | $ 38,693,420 | $ 38,372,581 | $ 37,336,018 | $ 36,437,299 | $ 35,514,494 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 10,079,768 | 9,932,830 | 8,468,913 | 10,452,569 | 11,605,944 | 10,762,594 | 10,352,433 | 9,427,132 | 8,046,990 | 7,642,754 |
| Total business-type activities net position | $ 52,006,534 | $ 51,775,309 | $ 50,231,083 | $ 51,137,430 | $ 51,431,945 | $ 49,456,014 | $ 48,725,014 | $ 46,763,150 | $ 44,484,289 | $ 43,157,248 |
| Primary government | | | | | | | | | | |
| Net Investment in capital assets | $ 63,476,921 | $ 62,977,979 | $ 62,102,697 | $ 60,103,773 | $ 60,415,584 | $ 61,767,456 | $ 61,577,932 | $ 62,292,842 | $ 64,092,044 | $ 67,733,386 |
| Restricted | 5,031,627 | 4,911,902 | 4,481,550 | 5,378,405 | 5,189,258 | 5,158,364 | 5,953,123 | 9,841,317 | 7,206,941 | 9,443,503 |
| Unrestricted | 10,775,781 | 10,098,685 | 9,264,775 | 15,186,083 | 17,990,238 | 12,863,104 | 14,099,391 | 9,253,852 | 6,954,612 | 2,126,526 |
| Total primary government net position | $ 79,284,329 | $ 77,988,566 | $ 75,849,022 | $ 80,668,261 | $ 83,595,080 | $ 79,788,924 | $ 81,630,446 | $ 81,388,011 | $ 78,253,597 | $ 79,303,415 |

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



| **Expenses** | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | | | | |
| General government | $ 3,207,455 | $ 3,123,857 | $ 3,200,467 | $ 2,814,426 | $ 3,302,841 | $ 3,614,889 | $ 4,130,528 | $ 3,895,095 | $ 4,073,165 | $ 4,531,206 |
| Public safety | 11,277,560 | 12,023,084 | 11,694,632 | 11,232,356 | 12,545,696 | 11,640,779 | 13,581,696 | 14,653,147 | 17,118,035 | 16,960,337 |
| Transportation | 4,357,965 | 4,411,887 | 4,343,125 | 4,120,997 | 4,067,976 | 3,018,536 | 4,272,703 | 4,549,659 | 4,964,157 | 5,041,946 |
| Environmental protection | 2,403,358 | 2,549,074 | 2,303,227 | 2,104,593 | 2,086,231 | 1,800,856 | 1,939,019 | 1,893,008 | 2,073,684 | 2,100,548 |
| Cultural and recreational | 3,695,508 | 3,402,045 | 3,483,175 | 3,141,542 | 3,587,708 | 3,271,440 | 3,972,893 | 4,188,872 | 4,614,378 | 4,883,645 |
| Economic and physical development | 1,019,712 | 392,371 | 230,330 | 305,104 | 315,026 | 573,124 | 596,079 | 289,296 | 561,473 | 759,031 |
| Interest on long-term debt | 60,147 | 60,664 | 42,586 | 33,739 | 35,125 | 30,524 | 37,217 | 38,981 | 44,328 | 39,295 |
| Total governmental activities expenses | 26,021,705 | 25,962,982 | 25,297,542 | 23,752,757 | 25,940,603 | 23,950,148 | 28,530,135 | 29,508,058 | 33,449,220 | 34,316,008 |
| Business-type activities: | | | | | | | | | | |
| Water and Sewer | 11,772,761 | 11,810,383 | 12,862,542 | 11,931,316 | 12,427,411 | 12,059,988 | 14,052,448 | 14,512,810 | 14,921,002 | 14,451,853 |
| Total business-type activities expenses | 11,772,761 | 11,810,383 | 12,862,542 | 11,931,316 | 12,427,411 | 12,059,988 | 14,052,448 | 14,512,810 | 14,921,002 | 14,451,853 |
| Total primary government expenses | $ 37,794,466 | $ 37,773,365 | $ 38,160,084 | $ 35,684,073 | $ 38,368,014 | $ 36,010,136 | $ 42,582,583 | $ 44,020,868 | $ 48,370,222 | $ 48,767,861 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | $ 341,430 | $ 341,277 | $ 313,367 | $ 26,346 | $ 26,858 | $ 34,554 | $ 26,252 | $ 24,002 | $ 29,374 | $ 32,485 |
| Public safety | 111,356 | 93,840 | 109,897 | 133,091 | 144,718 | 191,255 | 162,075 | 174,412 | 233,222 | 251,743 |
| Transportation | 27,247 | 27,836 | 37,556 | 37,436 | 26,106 | 27,216 | 28,949 | 36,325 | 33,625 | 103,104 |
| Environmental protection | 909,082 | 899,217 | 1,265,347 | 2,024,615 | 1,959,250 | 1,803,191 | 1,822,318 | 1,866,419 | 1,891,377 | 1,930,346 |
| Cultural and recreational | 363,595 | 400,520 | 411,468 | 391,318 | 413,810 | 392,698 | 374,094 | 323,592 | 334,765 | 432,542 |
| Operating grants and contributions | 729,487 | 1,015,043 | 937,279 | 764,474 | 908,827 | 1,273,101 | 1,799,493 | 850,045 | 1,215,358 | 984,317 |
| Capital grants and contributions | 611,822 | 1,021,526 | 248,682 | 256,912 | 2,073,131 | 54,770 | 708,526 | 649,934 | 526,476 | 1,942,598 |
| Total governmental activities program revenues | 3,094,019 | 3,799,259 | 3,323,596 | 3,634,192 | 5,552,700 | 3,776,785 | 4,921,707 | 3,924,729 | 4,264,197 | 5,677,135 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and Sewer | 11,900,646 | 11,602,642 | 11,993,022 | 12,045,164 | 12,710,003 | 12,595,720 | 12,702,865 | 12,274,138 | 12,424,438 | 12,872,793 |
| Operating grants and contributions | 594,645 | 659,685 | 638,507 | 756,947 | 200,000 | 2,571 | 282,197 | - | - | 150,000 |
| Capital grants and contributions | 2,364,158 | 75,873 | 94,325 | - | - | - | - | - | - | - |
| Total business-type activities program revenues | 14,859,449 | 12,338,200 | 12,725,854 | 12,802,111 | 12,910,003 | 12,598,291 | 12,985,062 | 12,274,138 | 12,424,438 | 13,022,793 |
| Total primary government program revenues | $ 17,953,468 | $ 16,137,459 | $ 16,049,450 | $ 16,436,303 | $ 18,462,703 | $ 16,375,076 | $ 17,906,769 | $ 16,198,867 | $ 16,688,635 | $ 18,699,928 |
| **Net (Expense)/Revenue** | | | | | | | | | | |
| Governmental activities | $ (22,927,686) | $ (22,163,723) | $ (21,973,946) | $ (20,118,565) | $ (20,387,903) | $ (20,173,363) | $ (23,608,428) | $ (25,583,329) | $ (29,185,023) | $ (28,638,873) |
| Business-type activities | 3,086,688 | 527,817 | (136,688) | 870,795 | 482,592 | 538,303 | (1,067,386) | (2,238,672) | (2,496,564) | (1,429,060) |
| Total primary government net expense | $ (19,840,998) | $ (21,635,906) | $ (22,110,634) | $ (19,247,770) | $ (19,905,311) | $ (19,635,060) | $ (24,675,814) | $ (27,822,001) | $ (31,681,587) | $ (30,067,933) |

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

| **General Revenues and Other Changes in Net Position** | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | $ 12,219,356 | $ 12,968,405 | $ 14,507,360 | $ 15,400,126 | $ 15,803,180 | $ 15,409,790 | $ 16,056,663 | $ 16,965,356 | $ 17,278,284 | $ 17,818,800 |
| Sales taxes | 3,044,107 | 3,162,311 | 3,431,212 | 3,720,840 | 4,322,926 | 4,499,854 | 4,755,545 | 5,044,116 | 5,795,504 | 6,799,197 |
| Franchise taxes | 2,042,949 | 2,022,680 | 2,338,786 | 2,493,755 | 2,488,259 | 2,501,249 | 2,514,864 | 2,429,909 | 2,429,450 | 2,446,885 |
| Other taxes and licenses | 1,483,535 | 1,438,056 | 1,466,412 | 1,506,768 | 1,645,252 | 1,699,412 | 1,774,230 | 1,792,701 | 2,043,660 | 2,423,065 |
| Investment earnings | 15,031 | 33,436 | 42,488 | 28,151 | 36,942 | 55,175 | 202,284 | 254,940 | 17,393 | 38,263 |
| Miscellaneous | 892,494 | 706,297 | 636,456 | 881,817 | 951,890 | 764,195 | 877,364 | 815,736 | 765,179 | 1,168,732 |
| Transfers | 800,000 | 768,000 | 500,000 | - | 400,000 | 510,000 | - | - | - | 320,790 |
| Total governmental activities | 20,497,472 | 21,099,185 | 22,922,714 | 24,031,457 | 25,648,449 | 25,439,675 | 26,180,950 | 27,302,758 | 28,329,470 | 31,015,732 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 10,090 | 8,958 | 9,231 | 11,552 | 17,674 | 37,423 | 101,917 | 91,073 | 4,246 | 18,004 |
| Miscellaneous | - | - | (39,304) | 24,000 | 194,249 | 175,254 | 234,469 | 185,735 | 213,457 | 404,805 |
| Transfers | (800,000) | (768,000) | (500,000) | - | (400,000) | (510,000) | - | - | - | (320,790) |
| Total business-type activities | (789,910) | (759,042) | (530,073) | 35,552 | (188,077) | (297,323) | 336,386 | 276,808 | 217,703 | 102,019 |
| Total primary government | $ 19,707,562 | $ 20,340,143 | $ 22,392,641 | $ 24,067,009 | $ 25,460,372 | $ 25,142,352 | $ 26,517,336 | $ 27,579,566 | $ 28,547,173 | $ 31,117,751 |
| | | | | | | | | | | |
| **Change in Net Position** | | | | | | | | | | |
| Governmental activities | $ (2,430,214) | $ (1,064,538) | $ 948,768 | $ 3,912,892 | $ 5,260,546 | $ 5,266,312 | $ 2,572,522 | $ 1,719,429 | $ (855,553) | $ 2,376,859 |
| Business-type activities | 2,296,778 | (231,225) | (666,761) | 906,347 | 294,515 | 240,980 | (731,000) | (1,961,864) | (2,278,861) | (1,327,041) |
| Total primary government | $ (133,436) | $ (1,295,763) | $ 282,007 | $ 4,819,239 | $ 5,555,061 | $ 5,507,292 | $ 1,841,522 | $ (242,435) | $ (3,134,414) | $ 1,049,818 |

**CITY OF ASHEBORO, NORTH CAROLINA**

Table 3

Governmental Activities Tax Revenues By Source

Last Ten Fiscal Years

(accrual basis of accounting)

| Fiscal Year | Property Tax | Sales Tax | Franchise Tax | Other | Total |
|---|---|---|---|---|---|
| 2013 | 12,219,356 | 3,044,107 | 2,042,949 | 1,483,535 | 18,789,947 |
| 2014 | 12,968,405 | 3,162,311 | 2,022,680 | 1,438,056 | 19,591,452 |
| 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 |

**CITY OF ASHEBORO, NORTH CAROLINA**

Table 4

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund: | | | | | | | | | | |
| Nonspendable | $ 859,119 | $ 862,114 | $ 1,089,527 | $ 998,477 | $ 1,201,406 | $ 860,623 | $ 845,284 | $ 848,691 | $ 1,158,095 | $ 1,297,716 |
| Restricted | 3,431,128 | 3,104,020 | 2,757,574 | 3,812,763 | 3,266,860 | 3,297,829 | 3,770,987 | 3,696,711 | 3,397,284 | 5,828,080 |
| Committed | - | - | - | - | - | - | - | - | | |
| Assigned | - | 225,000 | - | - | 304,152 | - | 2,214,956 | 2,311,236 | 2,571,413 | - |
| Unassigned | 4,144,624 | 3,845,050 | 5,990,191 | 9,220,728 | 13,697,299 | 16,363,953 | 16,242,035 | 12,441,071 | 14,389,348 | 14,313,574 |
| Total General Fund | $ 8,434,871 | $ 8,036,184 | $ 9,837,292 | $ 14,031,968 | $ 18,469,717 | $ 20,522,405 | $ 23,073,262 | $ 19,297,709 | $ 21,516,140 | $ 21,439,370 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - | - |
| Restricted | 1,145,849 | 915,705 | 629,631 | 627,961 | 969,948 | 689,545 | 1,123,109 | 801,532 | 847,119 | 1,286,766 |
| Committed | 454,650 | 892,177 | 1,097,345 | 937,681 | 952,450 | 1,170,990 | 1,059,027 | 5,468,907 | 2,962,538 | 2,328,657 |
| Assigned | - | (148,559) | - | (17,677) | - | - | - | (25,530) | - | (58,786) |
| Total all other governmental funds | $ 1,600,499 | $ 1,659,323 | $ 1,726,976 | $ 1,547,965 | $ 1,922,398 | $ 1,860,535 | $ 2,182,136 | $ 6,244,909 | $ 3,809,657 | $ 3,556,637 |

**CITY OF ASHEBORO, NORTH CAROLINA**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| **Revenues** | | | | | | | | | | |
| Taxes | $ 12,276,415 | $ 13,014,586 | $ 14,519,022 | $ 15,419,773 | $ 15,836,160 | $ 15,415,804 | $ 16,061,138 | $ 16,924,061 | $ 17,299,178 | $ 17,806,268 |
| Other taxes and licences | 340,369 | 346,197 | 323,903 | 39,010 | 39,105 | 40,744 | 44,380 | 39,659 | 42,577 | 54,420 |
| Intergovernmental | 8,014,704 | 8,720,755 | 8,686,356 | 8,909,203 | 10,528,295 | 10,324,156 | 11,538,055 | 11,056,156 | 12,005,545 | 13,568,091 |
| Permits and fees | 162,991 | 121,736 | 139,882 | 166,459 | 189,015 | 236,694 | 196,727 | 201,901 | 230,242 | 236,385 |
| Sales and services | 1,311,794 | 1,325,556 | 1,687,425 | 2,386,673 | 2,422,699 | 2,229,866 | 2,219,610 | 2,218,217 | 2,282,962 | 2,480,685 |
| Investment earnings | 15,031 | 33,436 | 42,488 | 28,151 | 36,942 | 55,175 | 202,284 | 254,940 | 17,393 | 38,263 |
| Miscellaneous | 709,474 | 575,080 | 393,497 | 527,045 | 399,907 | 406,854 | 691,515 | 475,809 | 399,949 | 1,915,006 |
| Total revenues | 22,830,778 | 24,137,346 | 25,792,573 | 27,476,314 | 29,452,123 | 28,709,293 | 30,953,709 | 31,170,743 | 32,277,846 | 36,099,118 |
| **Expenditures** | | | | | | | | | | |
| General government | 3,755,674 | 3,017,602 | 3,151,731 | 2,914,210 | 3,227,755 | 3,783,552 | 3,968,927 | 3,644,107 | 3,718,560 | 4,319,992 |
| Public safety | 11,327,871 | 11,382,276 | 12,302,052 | 11,848,353 | 11,930,627 | 12,137,191 | 13,154,522 | 15,348,885 | 15,706,471 | 15,444,251 |
| Transportation | 3,243,380 | 3,262,437 | 3,486,959 | 3,351,320 | 3,713,248 | 3,645,195 | 3,494,990 | 4,154,354 | 4,083,462 | 4,212,567 |
| Environmental protection | 2,383,417 | 2,574,066 | 2,169,598 | 1,985,502 | 1,970,874 | 2,294,394 | 1,795,686 | 1,892,708 | 2,019,521 | 2,278,815 |
| Culture and recreation | 3,319,294 | 3,138,685 | 3,218,540 | 3,205,708 | 3,319,057 | 4,007,872 | 5,015,632 | 5,181,743 | 4,023,520 | 4,795,784 |
| Economic and physical development | 992,352 | 365,011 | 329,546 | 277,744 | 287,666 | 545,764 | 568,719 | 314,966 | 548,629 | 759,649 |
| Capital outlay | 1,642,806 | 702,180 | 48,385 | 106,179 | 719,723 | 692,046 | 49,318 | 607,185 | 2,612,813 | 6,196,855 |
| Debt service: | | | | | | | | | | |
| Principal | 519,827 | 768,242 | 712,562 | 752,694 | 719,175 | 744,105 | 661,824 | 622,532 | 640,763 | 772,490 |
| Interest | 59,269 | 60,260 | 42,562 | 33,739 | 35,665 | 30,524 | 37,217 | 38,981 | 44,328 | 39,295 |
| Other charges | | | | | | | | | | |
| Total expenditures | 27,243,890 | 25,270,759 | 25,461,935 | 24,475,449 | 25,923,790 | 27,880,643 | 28,746,835 | 31,805,461 | 33,398,067 | 38,819,698 |
| Excess of revenues over (under) expenditures | (4,413,112) | (1,133,413) | 330,638 | 3,000,865 | 3,528,333 | 828,650 | 2,206,874 | (634,718) | (1,120,221) | (2,720,580) |
| **Other financing sources (uses)** | | | | | | | | | | |
| Transfers in | 969,713 | 975,700 | 703,673 | 119,568 | 961,468 | 1,210,204 | - | 4,534,700 | 521,200 | 4,947,383 |
| Transfers out | (169,713) | (207,700) | (203,673) | (119,568) | (561,468) | (700,204) | - | (4,534,700) | (521,200) | (4,626,593) |
| Payments to refunded bond escrow agent | - | - | - | - | - | - | - | - | - | - |
| Refunding bonds issued | - | - | - | - | - | - | - | - | - | - |
| Premium on bonds issued | - | - | - | - | - | - | - | - | - | - |
| Installment purchase obligations / Notes | 2,344,245 | 25,550 | 690,040 | 920,000 | 331,331 | 643,175 | 611,738 | 921,938 | 903,400 | 2,070,000 |
| Sale of assets | 336,533 | - | 39,440 | 94,800 | 552,518 | 9,000 | 53,846 | - | - | - |
| Total other financing sources (uses) | 3,480,778 | 793,550 | 1,229,480 | 1,014,800 | 1,283,849 | 1,162,175 | 665,584 | 921,938 | 903,400 | 2,390,790 |
| Net change in fund balances | $ (932,334) | $ (339,863) | $ 1,560,118 | $ 4,015,665 | $ 4,812,182 | $ 1,990,825 | $ 2,872,458 | $ 287,220 | $ (216,821) | $ (329,790) |
| Debt services as a percentage of noncapital expenditures | 2.2% | 3.3% | 3.1% | 3.4% | 3.0% | 3.3% | 2.7% | 2.4% | 2.3% | 2.2% |

**CITY OF ASHEBORO, NORTH CAROLINA**

General Governmental Tax Revenues By Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

| Fiscal Year | Property Tax | Sales Tax | Franchise Tax | Other | Total |
|---|---|---|---|---|---|
| 2013 | 12,276,415 | 3,044,107 | 2,042,949 | 1,417,431 | 18,780,902 |
| 2014 | 13,014,586 | 3,162,311 | 2,022,680 | 1,370,107 | 19,569,684 |
| 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 |

# CITY OF ASHEBORO, NORTH CAROLINA



Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

| Fiscal Year | Real Property | Personal Property | Personal Property: Motor Vehicles | Personal Property: Other | Public Service Companies (4) | Total Taxable Assessed Value | Total Direct Tax Rate | Real Property Estimated Actual Taxable Value (1) | Assessed Value as a Percentage of Actual Value **(2)** |
|---|---|---|---|---|---|---|---|---|---|
| 2013 | 1,647,091,279 | 541,838,233 | 155,760,545 | 386,077,688 | 34,312,633 | 2,223,242,145 | 0.55 | 2,280,248,354 | 97.50% |
| 2014 (3) | 1,603,259,908 | 582,862,082 | 90,265,091 | 492,596,991 | 40,418,254 | 2,226,540,244 | 0.55 | 2,120,514,518 | 105.00% |
| 2015 | 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 | 1,858,980,316 | 649,041,919 | 176,140,301 | 472,901,618 | 48,760,758 | 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% |

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 of 91% (2) has been provided by the Randolph County Tax Department.

**(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 octennial revaluations. Personal Personal property is revalued annually by the Randolph County Tax Department.

**(3)** Increase in Real Property Value due to octennial property revaluation. Property in Randolph County (Asheboro) is reassessed every six years. The last reassessment was on January 1, 2019 and is the basis for fiscal 2020 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

Table 8

Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

(property tax rates per $100 assessed valuation)

| | City Direct Rate | Overlapping Rates | | Total |
|---|---|---|---|---|
| Fiscal Year | Total City Rate | Total County Rate | Total School District | Total Direct & Overlapping Rates |
| 2013 | 0.550 | 0.586 | 0.139 | 1.275 |
| 2014 | 0.630 | 0.610 | 0.139 | 1.379 |
| 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 |

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

June 30, 2022

| Taxpayer | 2022 Taxable Assessed Value | 2022 Rank | 2022 Percentage of Total Taxable Assessed Value | 2012 Taxable Assessed Value | 2012 Rank | 2012 Percentage of Total Taxable Assessed Value |
|---|---|---|---|---|---|---|
| MOM Brands Company | 141,260,974 | 1 | 5.37% | 108,557,899 | 1 | 5.18% |
| Energizer Battery Co, | 108,408,121 | 2 | 4.12% | 103,375,372 | 2 | 4.97% |
| Technimark, Inc. | 107,051,670 | 3 | 4.07% | 41,333,553 | 4 | 1.85% |
| Starpet, Inc. & Starpet Subsidiary | 46,588,605 | 4 | 1.77% | 57,508,600 | 3 | 2.88% |
| Kennametal | 32,718,313 | 5 | 1.24% | | | |
| Duke Energy Progress Inc | 28,639,753 | 6 | 1.09% | | | |
| Georgia Pacific Corrugated | 27,916,361 | 8 | 1.06% | | | |
| Oliver Rubber Co. | 21,544,339 | 7 | 0.82% | | | |
| Kayser Roth | 17,581,319 | 9 | 0.67% | | | |
| Middelton Income Investors Asheboro LLC | 17,217,810 | 10 | 0.65% | | | |
| Centerpoint Plaza | | | | 21,962,130 | 8 | 1.01% |
| Klaussner Furniture Industries | | | | 23,038,407 | 7 | 1.12% |
| Schwartz Properties LLC | | | | 27,111,813 | 5 | 1.64% |
| Goodyear Tire & Rubber Co. | | | | 25,755,928 | 6 | 1.25% |
| Arrow International | | | | 21,931,899 | 9 | 1.04% |
| Kennametal | | | | 19,750,749 | 10 | 0.94% |
| Totals | $ 548,927,265 | | 20.86% | $ 450,326,350 | | 21.88% |

Total Assessed Value of Taxable Property $ 2,631,886,481

Source: Randolph County Finance Department

*Top Ten Assessments in Asheboro City 2020 for 2020-2021 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 |
| 2013 | 12,271,887 | 12,103,551 | 98.63% | 165,052 | 12,268,603 | 99.97% |
| 2014 | 12,272,823 | 12,151,194 | 99.01% | 117,926 | 12,269,120 | 99.97% |
| 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% | 42,974 | 15,385,038 | 99.97% |
| 2017 | 15,887,444 | 15,839,229 | 99.70% | 42,248 | 15,881,477 | 99.96% |
| 2018 | 15,410,216 | 15,363,262 | 99.70% | 33,198 | 15,396,460 | 99.91% |
| 2019 | 16,043,932 | 15,992,966 | 99.68% | 22,003 | 16,014,969 | 99.82% |
| 2020 | 16,967,230 | 16,866,561 | 99.41% | 60,865 | 16,927,426 | 99.77% |
| 2021 | 17,002,607 | 16,930,430 | 99.58% | 32,273 | 16,962,703 | 99.77% |
| 2022 | 17,502,045 | 17,424,633 | 99.56% | - | 17,424,633 | 99.56% |

## CITY OF ASHEBORO, NORTH CAROLINA

Table 11

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

| | Governmental Activities | | | Business-type Activities | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Installment Purchases | Notes Payable | General Obligation Bonds | Installment Purchases | Notes Payable | Total Primary Government | Debt as Percentage of Personal Income **(1)** | Debt Per Capita **(1)** |
| 2013 | 99,541 | 1,901,949 | 1,071,429 | 830,459 | 518,469 | 6,930,057 | 11,351,904 | 1.43% | 449 |
| 2014 | 7,492 | 1,422,735 | 900,000 | 62,508 | 722,280 | 6,320,949 | 9,435,964 | 1.11% | 368 |
| 2015 | - | 1,579,133 | 728,571 | - | 529,063 | 5,658,782 | 8,495,549 | 0.97% | 330 |
| 2016 | - | 1,917,868 | 557,142 | - | 358,237 | 5,511,906 | 8,345,153 | 0.93% | 324 |
| 2017 | - | 1,700,905 | 385,713 | - | 203,522 | 5,421,186 | 7,711,326 | 0.83% | 299 |
| 2018 | - | 1,771,402 | 214,284 | - | 53,729 | 4,951,822 | 6,991,237 | 0.72% | 269 |
| 2019 | - | 1,892,745 | 42,857 | - | - | 4,482,458 | 6,418,060 | 0.64% | 249 |
| 2020 | - | 2,235,009 | - | - | - | 4,013,095 | 6,248,104 | 0.62% | 242 |
| 2021 | - | 2,497,654 | - | - | - | 3,543,730 | 6,041,384 | 0.45% | 222 |
| 2022 | | 3,795,164 | - | - | - | 3,074,365 | 6,869,529 | 0.55% | 250 |

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

(1) See Table 15 for personal income and population data.

## CITY OF ASHEBORO, NORTH CAROLINA

Table 12

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

| 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 |
|---|---|---|---|---|---|---|
| 2013 | 930,000 | - | 930,000 | 2,223,242,145 | 0.04% | 36.46 |
| 2014 | 70,000 | - | 70,000 | 2,226,540,244 | 0.00% | 2.74 |
| 2015 | - | - | - | 2,286,962,201 | 0.00% | 0.00 |
| 2016 | - | - | - | 2,309,504,760 | 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 |

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

**CITY OF ASHEBORO, NORTH CAROLINA**

Table 13

Direct and Overlapping Governmental Activities Debt

As of June 30, 2022

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable **(1)** | Estimated Share of Overlapping Debt |
|---|---|---|---|
| Debt repaid with property taxes: Randolph County | $ 159,587,953 | 21.23% | $ 33,877,035 |
| Subtotal, overlapping debt | | | 33,877,035 |
| City of Asheboro direct debt | | | 3,795,164 |
| Total direct and overlapping debt | | | $ 37,672,199 |

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**

Table 14

Legal Debt Margin Information

Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Debt limit | $ 177,859,372 | $ 178,123,220 | $ 182,956,976 | $ 184,760,381 | $ 189,406,399 | $ 184,922,652 | $ 193,009,710 | $ 204,117,060 | $ 204,542,639 | $ 210,550,918 |
| Total net debt applicable to limit | 3,350,418 | 2,215,015 | 2,108,196 | 2,276,105 | 1,904,427 | 1,825,132 | 1,892,745 | 2,235,009 | 2,497,654 | 3,795,164 |
| Legal debt margin | $ 174,508,954 | $ 175,908,205 | $ 180,848,780 | $ 182,484,276 | $ 187,501,972 | $ 183,097,520 | $ 191,116,965 | $ 201,882,051 | $ 202,044,985 | $ 206,755,754 |
| Total net debt applicable to the limit as a percentage of debt limit | 1.88% | 1.24% | 1.15% | 1.23% | 1.01% | 0.99% | 0.98% | 1.09% | 1.22% | 1.80% |

| | |
|---|---|
| Assessed Value | 2,631,886,481 |
| Debt Limit (8% of total assessed value) | $ 210,550,918 |
| Debt Applicable to Limit | |
| General Obligation Bonds | - |
| Installment Purchae Agreements | 3,795,164 |
| Total Net Debt Appliable to Limit | 3,795,164 |
| Legal Debt Margin | $ 206,755,754 |

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** Table 15

Demographic and Economic Statistics

Last Ten Fiscal Years

| Fiscal Year | Population **(1)** | Personal Income | Per Capita Personal Income **(2)** | Median Age **(3)** | School Enrollment **(4)** | Unemployment Rate **(5)** |
|---|---|---|---|---|---|---|
| 2013 | 25,262 | 794,540,424 | 31,452 | 40.0 | 4,694 | 8.10% |
| 2014 | 25,656 | 853,267,248 | 33,258 | 40.2 | 4,689 | 6.40% |
| 2015 | 25,761 | 879,119,886 | 34,126 | 40.5 | 4,723 | 5.30% |
| 2016 | 25,761 | 896,894,976 | 34,816 | 41.1 | 4,648 | 4.90% |
| 2017 | 25,761 | 928,581,006 | 36,046 | 41.5 | 4,594 | 3.90% |
| 2018 | 25,993 | 976,608,996 | 37,572 | 41.5 | 4,606 | 2.80% |
| 2019 | 25,791 | 1,003,063,572 | 38,892 | 41.7 | 4,485 | 3.50% |
| 2020 | 25,850 | 1,005,358,200 | 38,892 | 41.7 | 4,490 | 5.90% |
| 2021 | 27,191 | 1,328,253,159 | 48,849 | 41.7 | 4,505 | 3.60% |
| 2022 | 27,473 | 1,257,631,521 | 45,777 | 41.8 | 4,428 | 3.90% |

Source: **(1)** NC Department of Revenue
Source: **(2)** Federal Reserve Bank of St. Louis- FRED Economic Data
Source: **(3)** NC Department of Commerce
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

| | 2022 | | | 2012 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Technimark | 1,300 | 1 | 5.42% | 660 | 6 | 2.89% |
| Randolph Health | 1,115 | 2 | 4.65% | 1,240 | 1 | 5.44% |
| Klaussner Furniture Industries | 1,000 | 3 | 4.17% | 927 | 2 | 4.06% |
| Asheboro City Schools | 625 | 4 | 2.61% | 661 | 5 | 2.90% |
| NC Zoological Park & Society | 440 | 5 | 1.83% | 330 | 10 | 1.45% |
| Energizer Battery | 405 | 6 | 1.69% | 722 | 3 | 3.17% |
| City of Asheboro | 330 | 7 | 1.38% | 330 | 9 | 1.45% |
| DJO Global/Elastic Therapy | 240 | 8 | 1.00% | | | |
| Post Consumer Brands | 230 | 9 | 0.96% | | | |
| Bossong Hosiery | 225 | 10 | 0.94% | | | |
| Wal-Mart | | | | 690 | 4 | 3.02% |
| Teleflex, Inc. | | | | 640 | 7 | 2.81% |
| Acme McCrary | | | | 600 | 8 | 2.63% |
| Total | 5,910 | | 24.64% | 6,800 | | 29.82% |

Population

Source: Randolph County Economic Development Commission

**CITY OF ASHEBORO, NORTH CAROLINA**

Table 17

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

| Function | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| General government | 38 | 38 | 28 | 35 | 36 | 37 | 37 | 37 | 37 | 39 |
| Public safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Officers | 77 | 77 | 90 | 73 | 75 | 74 | 74 | 97 | 88 | 77 |
| Civilians | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Fire: | | | | | | | | | | |
| Firefighters and officers | 53 | 52 | 49 | 52 | 50 | 53 | 53 | 62 | 56 | 60 |
| Civilians | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Inspections | | | | | | | | | | |
| Building | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 2 |
| Fire | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 3 | 3 | 2 |
| Highways and streets: | | | | | | | | | | |
| Engineering | 4 | 3 | 4 | 3 | 3 | 3 | 3 | 5 | 4 | 4 |
| Operations | 10 | 14 | 13 | 14 | 13 | 10 | 10 | 12 | 13 | 13 |
| Street Maintenance | 20 | 21 | 20 | 18 | 18 | 17 | 17 | 20 | 22 | 21 |
| Sanitation | 19 | 20 | 19 | 17 | 14 | 15 | 15 | 15 | 17 | 15 |
| Culture, Recreation, Facilities | 62 | 60 | 91 | 75 | 80 | 39 | 39 | 62 | 64 | 82 |
| Water | 28 | 25 | 33 | 33 | 31 | 34 | 34 | 34 | 36 | 37 |
| Sewer | 43 | 35 | 37 | 36 | 37 | 35 | 35 | 33 | 32 | 37 |
| Total | 366 | 357 | 396 | 368 | 367 | 328 | 328 | 389 | 380 | 397 |

Source: Finance Office

## CITY OF ASHEBORO, NORTH CAROLINA

Table 18

Operating Indicators by Function

Last Ten Fiscal Years

| Function | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police: | | | | | | | | | | |
| Physical arrests | 2,674 | 2,288 | 1,943 | 1,717 | 1,879 | 1,930 | 1,869 | 1,745 | 1,890 | 1,840 |
| Parking violations | 110 | 110 | 126 | 33 | 40 | 70 | 101 | 73 | 82 | 168 |
| Traffic violations | 6,603 | 4,665 | 4,030 | 3,458 | 6,426 | 6,743 | 6,583 | 5,610 | 4,753 | 7,290 |
| Fire: | | | | | | | | | | |
| Number of calls answered | 1,379 | 2,204 | 2,450 | 2,535 | 2,469 | 2,760 | 3,759 | 3,912 | 2,844 | 4,739 |
| Inspections | 1,671 | 2,203 | 2,240 | 1,550 | 1,464 | 1,329 | 1,535 | 1,435 | 672 | 495 |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 0.327 | 0.636 | 0.882 | 0.882 | 0.189 | 1.220 | 0.315 | 0.373 | 1.440 | 1.440 |
| Leaf Collection Loads (Nov-June) | 756 | 812 | 829 | 829 | 798 | 825 | 652 | 611 | 582 | 582 |
| Potholes repaired | 912 | 887 | 869 | 869 | 670 | 852 | 1,117 | 1,467 | 975 | 975 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons/wk) | 53.41 | 58.08 | 55.32 | 70.25 | 70.25 | 70.17 | 72.62 | 70.62 | 129.82 | 162.49 |
| Recyclables collected (tons/wk) | 8.11 | 8.23 | 8.15 | 20.00 | 41.50 | 32.35 | 29.58 | 27.30 | 4.95 | 7.87 |
| Yard Waste collected (tons/wk) | | 14.37 | 10.10 | 10.10 | 4.25 | 7.17 | 9.31 | 6.00 | 13.23 | 39.39 |
| Culture and recreation | | | | | | | | | | |
| Separate programs / events offered | 98 | 127 | 178 | 203 | 247 | 324 | 445 | 558 | 232 | 347 |
| Estimated number of program participan | 54,815 | 53,388 | 67,323 | 73,708 | 87,869 | 89,921 | 86,997 | 73,295 | 48,831 | 51,470 |
| Water | | | | | | | | | | |
| New meter connections | 46 | 34 | 10 | 23 | 75 | 79 | 26 | 58 | 98 | 105 |
| Water mains breaks | 111 | 91 | 90 | 68 | 67 | 108 | 83 | 96 | 101 | 127 |
| Average daily consumption (MGD) | 4.288 | 4.005 | 4.424 | 4.621 | 4.817 | 4.727 | 4.772 | 4.758 | 4.975 | 5.164 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (MGD) | 3.377 | 3.843 | 3.466 | 3.900 | 3.553 | 3.454 | 4.556 | 3.888 | 4.202 | 3.587 |

Sources: Various government departments.

N/A: Data not available.

**CITY OF ASHEBORO, NORTH CAROLINA** Table 19

Capital Asset Statistics by Function

Last Ten Fiscal Years

| Function | Fiscal Year End 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 100 | 71 | 72 | 72 | 75 | 96 | 96 | 96 | 136 | 136 |
| Fire stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire Apparatus | | | | | 13 | 13 | 13 | 13 | 14 | 14 |
| Sanitation: | | | | | | | | | | |
| Collection trucks | 9.00 | 9.00 | 9.00 | 9.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 |
| Highways and streets: | | | | | | | | | | |
| Streets (miles) | 98.24 | 98.24 | 98.24 | 98.24 | 98.99 | 99.78 | 99.78 | 99.78 | 99.78 | 99.78 |
| City Streetlights | 3,182 | 3,182 | 3,182 | 3,182 | 3,182 | 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 | 6,100 | 6,100 | 8,300 | 8,700 | 8,700 | 15,500 | 15,500 | 15,500 |
| Aircraft storage capacity: | | | | | | | | | | |
| Hangars | 47 | 47 | 47 | 47 | 47 | 47 | 47 | 45 | 45 | 45 |
| Tie Downs | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 39 | 39 | 39 |
| Length of runway in feet | 5,500 | 5,500 | 5,500 | 5,500 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 | 5,501 |
| Total facility area - acreage | 461.00 | 461.00 | 461.00 | 461.00 | 461.00 | 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 | 103,220 | 103,220 | 103,302 | 103,302 | 103,302 |
| Parks | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 |
| 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) | 243.6 | 243.6 | 244.2 | 244.2 | 244.2 | 244.2 | 244.2 | 244.2 | 244.2 | 244.7 |
| Fire hydrants (est.) | 1,570 | 1,570 | 1,570 | 1,577 | 1,583 | 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) | 213.3 | 213.3 | 219.4 | 219.7 | 222.3 | 222.6 | 222.6 | 235.8 | 235.8 | 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.