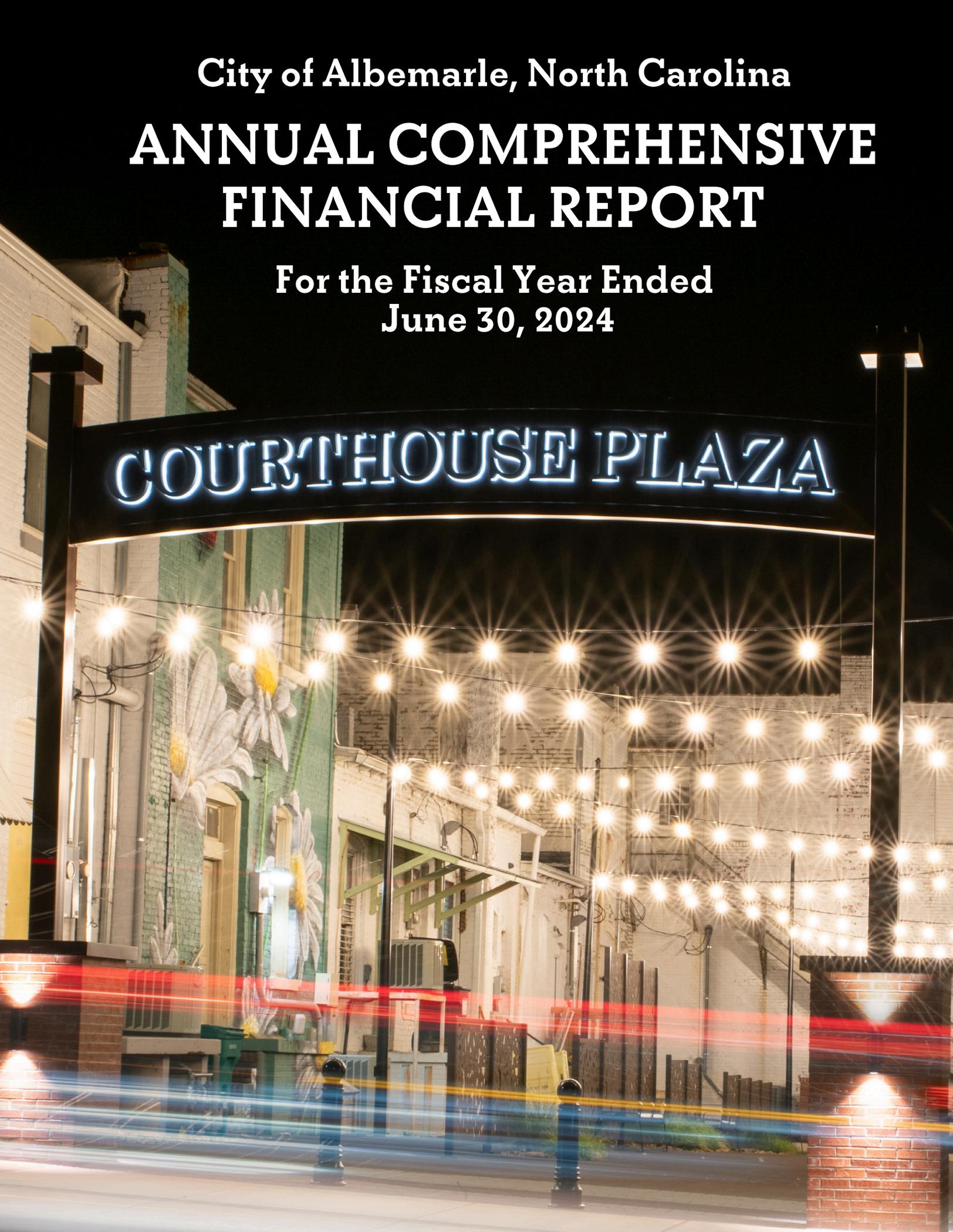


City of Albemarle, North Carolina
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

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



COURTHOUSE PLAZA

A nighttime photograph of the Courthouse Plaza entrance. A large, arched sign with the words "COURTHOUSE PLAZA" in glowing blue neon letters spans the width of the entrance. The area is illuminated by numerous warm white string lights strung across the space. In the background, a brick building features a large, colorful mural of a flower. The foreground shows a paved area with blue bollards and red light trails from passing vehicles.

**CITY OF ALBEMARLE
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2024

FINANCE DEPARTMENT

CITY OF ALBEMARLE, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION



ALBEMARLE
NORTH CAROLINA
Water. Air. Land. Opportunity.



ALBEMARLE

NORTH CAROLINA
Water. Air. Land. Opportunity.

November 25, 2024

Honorable Mayor, Members of the City Council, and Citizens of the City of Albemarle:

The Annual Comprehensive Financial Report (ACFR) of the City of Albemarle for the fiscal year ended June 30, 2024 is hereby submitted. The City is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures. Basic financial statements contained herein have been audited by the independent certified public accounting firm of Martin Starnes & Associates, CPAs, P.A. and their unmodified opinion is included in the financial section.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the data enclosed is accurate in all material respects and is reported in a manner designed to present fairly the financial position, and where applicable, the cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Martin Starnes & Associates, CPAs, P.A. have issued a modified opinion on the City of Albemarle's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

The City is required to undergo an annual "Single Audit" in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and recommendations, and the auditor's reports on the internal control over financial reporting and compliance with applicable laws, regulations, contracts and grant agreements, is included in the compliance section of this report.

Profile of the Government

The City of Albemarle, incorporated in 1857, located in the piedmont region of North Carolina, positioned 42 miles east of the metropolitan area of Charlotte and 65 miles southwest of Greensboro, serves as the County seat of Stanly County. The City of Albemarle is empowered to levy a property tax on real property located within its boundaries. It occupies approximately 17.56 square miles and serves a population of 16,432 according to the 2020 census survey by the United States Census Bureau.

The City of Albemarle is governed by a council-manager form of government that consists of a seven-member Council and a Mayor. Policy-making and legislative authority are vested in the governing council, four of whom are elected in districts and three are elected at large for four-year staggered terms; the Mayor serves at large for a four year term. The Mayor and Council make appointments to various Boards and Commissions that help to guide the development of policy decisions. The Mayor and Council approve and appoint the City Manager who in turn appoints its department heads.

The City of Albemarle provides a full range of services, including police and fire protection; refuse collection; construction and maintenance of streets and other infrastructure; recreational and cultural activities; planning and development services; economic development; and general administration. In addition, the City of Albemarle owns and operates electric, water, wastewater, and landfill utilities. The City also has a Public Housing Department which provides housing and housing assistance programs for low income residents through the Department of Housing and Urban Development.

North Carolina General Statutes require formal budgetary accounting for all funds. The City Council is required to hold public hearings on the proposed budget and to adopt an initial budget for the fiscal year no later than June 30 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the City of Albemarle's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department as they see fit. The City Manager is authorized to reallocate departmental appropriations as he considers necessary within the same fund and function; however, transfers between a fund and function need special approval from the governing board. Budgets are legally enacted by adoption by the governing board of an Annual Budget Ordinance which can be formally amended as required by the governing board within the guidelines of the Local Government Budget and Fiscal Control Act. Budget to actual comparisons are included in this report for each individual governmental fund for which an appropriated annual budget has been adopted. Expenditures may not legally exceed appropriations at the departmental function level for all annually budgeted funds.

Local Economy

The City of Albemarle is positioned less than an hour's drive from the major cities of Charlotte and Greensboro. Major industries located within the government's boundaries or in close proximity include hospitals, retail stores, financial institutions, insurance companies, and manufacturers of automotive components, sprockets and gears, industrial fabrics,

communications, energy, and solar cables. The Stanly County School District and the Carolinas Health Care System Stanly have a significant economic presence, employing in more than 1,500 people.

Stanly County currently has a 3.7% unemployment rate compared to a statewide rate of 3.6% and a national average of 4.1%. During the past ten years, the unemployment rate for Stanly County has declined from a decade high of 11.5% in April 2020 to a decade low of 2.8% in April 2023. The County unemployment rate average for fiscal year ending June 30, 2024 increased to 3.7%, compared to 3.2% in fiscal year ending June 30, 2023.

The City of Albemarle continued its trend of high growth in the residential sector and saw a modest increase in commercial growth year over year.

The City average just 15 housing units constructed over a 9-year period from 2010 to 2018. Since 2019 we have averaged 150 units per year. Over 45% of all new housing units constructed since 2000 have been built in the last 4 years. We saw 215 new housing units completed in FY 23-24, an increase of 9 units and 4.3% above FY 22-23. 91% of all new housing units constructed this year were single family detached homes. While exact investment in dollars in FY23-24 is not accessible at the time being, based on median home costs over the last year we estimate a total investment in new residential construction of approximately \$62 million in FY 23-24.

While new commercial development has remained well below the 25-year average of 57K sq.ft. annually and far below the it's peak of over 200K annually in 2005, we saw a significant increase in year over year commercial construction. Fiscal year 2024 saw approximately 32K sq ft. Of new commercial construction, almost double that of last year. Construction was primarily smaller retail projects of less than 10K sq.ft and included a new a Family Dollar/Dollar Tree, Albemarle Sweet Shop, Stanly Community Ministries expansion, self storage facility and redevelopment of a gas station. The bulk of this year's non-residential construction has continued the trend of upfitting older structures, with several existing stores redeveloped and/or re-used. This points to a continued increase in commercial property values and is helping to aid in the rehabilitation and rejuvenation of older commercial areas in the City. Total new construction investment in the current fiscal year is estimated around \$7.7M

As more detailed data is made available to us by Stanly County Central permitting we will include more accurate dollar amounts and varied construction types in coming years.

Median household incomes within the City of Albemarle are lower than for the state as a whole. According to the United Census Bureau American FactFinder data, the City's median family income was \$51,673, the County's was \$60,634, while the state's was \$66,186. The City's population recently increased from 15,903 (2010) to 16,432 according to the 2020 Decennial Census.

Major Initiatives

Fiscal year 23/24 included the planning and implementation phases of several initiative as well as the continuation or completion of projects that began during the previous fiscal year.

General Fund

In fiscal year 23/24, development of the Albemarle Business Center was nearly completed. The final punch list items are being worked on in fiscal year 24/25 and it is expected to be complete by the end of this fiscal year.

The development of the 15-acre site ready location at the Business Center was also significantly completed in fiscal year 23/24 and is being wrapped up in the first half of fiscal year 24/25. We continued with the services of Retail Strategies to recruit new retail businesses and retain current ones to prevent leakage to other communities.

The grants to study Long Creek stormwater improvements continued in the fiscal year and the results of those studies are anticipated to be shared with council in fiscal year 24/25.

In the Albemarle Fire Department, we completed the refurbishment of Ladder 11 and the final delivery of the new front-line fire engine was received this summer. The Police Department purchased 6 new patrol vehicles.

The Parks and Recreation Department made improvements to the EE Waddell Center, including roof replacement, bathroom renovations, new playground equipment, and new basketball goals. They also entered into a partnership agreement with Stanly County schools to develop after school funding.

The Planning and Development Services Department continued the contract for assistance with long-range comprehensive development analysis and planning. The Department also worked with seven private dilapidated structures as part of the City's minimum code removal process, with many more properties addressed through daily minimum code (those not requiring demolition), nuisance, and zoning enforcement.

Public Works is conducting its annual street preservation and maintenance program work, with the FY 22/24 project being the most significant street rehabilitation work to date as all funds are designated for milling and resurfacing activities.

Enterprise Funds

In the Electric Fund we continued our pole inspection and replacement program in order to maintain our high level of system reliability. These efforts demonstrate the benefit of our locally owned and operated system when disasters occur, as we see the quick restoration of power (and excellent public communication with the assistance of our PIO). Our continued investment in the electric system makes this level of reliability and quality service possible, and accomplished with no recent electric rate increases, but in fact declining customer rates.

The Electric Division is also playing a key role in the development of the Albemarle Business Center with the extension of the necessary electric infrastructure to the site. The City remains designated at the RP3 Diamond level from the American Public Power Association. This is the highest-level designation for the national RP3 award. Fiscal year 23/24 also saw the City's continued transition toward AMI metering (for both electric and water).

The acquisition of transformers to keep pace with development has become an unexpected challenge, but a challenge we have managed. The City participated joint transformer purchase through ElectriCities was carried through in fiscal year 23/24, with major deliveries occurring in early fiscal year 24/25.

The Water and Sewer operations saw substantial the completion of the Phase 3 inflow and infiltration work which is expected to be completed in fiscal year 24/25. We have continued pursuit of the Wastewater Treatment Plant conversion project for operational improvements and cost savings. The Water and Sewer fund was also awarded \$17.3M in State budget appropriations which are being worked into future improvements at the Systems 52 transmission line and the Systems raw water main upgrades planned for in future years.

In the Solid Waste Disposal Fund, the City received the new Caterpillar compactor that was ordered in fiscal year 22/23. Development of the new recycling facility is still underway.

In Public Housing we continue to serve housing needs for all of Stanly County, as the programs operate as a County-wide service. Despite challenges in previous years, significant improvements to operations were made as a result of the temporarily contracted Housing Director. In fiscal year 24/25 the new permanent housing director has been named and continued improvements are underway to the conventional programs as well as section 8.

Long-Term Financial Planning

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 42.5 percent of total general fund revenues. The City has a financial advisor that continues to work with on structuring debt and plans to update investment and financial policies.

The Council recently reviewed the City of Albemarle's long-term capital needs and is prioritizing major projects to help prepare for long-term planning for the City's major upcoming projects. The City has renewed and updated policies for cash management & investments.

Staff maintains a five-year Capital Improvement Plan for Water, Electric, Wastewater, Solid Waste Landfill, Public Housing, and the General Fund that are all updated annually. This plan serves as the City's planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. Under the guidance of a Capital Projects Policy, this process gives the City of Albemarle the ability to plan for its capital needs and plan to allocate short- and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly within the annual budget.

Self-Insured Health Insurance

With rising healthcare costs, the City believes it can avert huge healthcare increases by insurance companies. The City has been able to build reserves for health insurance and has averted rising health insurance pricing increases over the last few years.

Economic Development

The City continues to see the benefits of our in-house economic development activities. The Albemarle Hotel sat in a deteriorated state for many years and at the time of this writing is in development. The City continues to work with Retail Strategies to prevent retail leakage to other communities; this helps our sales tax revenue continue to rise.

Albemarle Business Center

The City purchased 283 acres of land to be used as an industrial park and corporate center in fiscal year 2017. This land is being developed by the City to be sold to corporations that will construct facilities increasing tax base, creating jobs, and purchasing utilities. At the time of this the construction of the horizontal infrastructure is underway for the Albemarle Business Center (ABC) with the project estimated for completion in fiscal year 2025. As of fiscal year 2024 a significant majority of the construction was completed.

Public Works

Pavement Management Plan

In fiscal year 23/24 the City funded more to its pavement maintenance program than ever before. The redirection of capital projects funds from Wiscassetts Sports Complex are being utilized in fiscal year 24/25 to fund the program at even higher levels. The City continues to do all it can to address this important issue and the discussions and solutions will be ongoing.

Public Utilities

Long Creek Wastewater Treatment Plant

The current Waste-Water Treatment plant was designed and built in the early 1970's. Many of the plants components and treatment processes are original to the plant and are reaching the end of their service life or are highly recommended to be improved to be more in keeping with newer environmental regulatory standards or more modernized treatment processes. The plant rehabilitation is to provide a much more efficient process in regards to treatment of waste-water and reduction in energy usage as well as more easily maintainable system for treatment plant staff.

Phase 3 Sanitary Sewer Rehabilitation

As our sanitary sewer mains degrade over time, they allow inflow and infiltration of storm-water into the line to eventually enter the waste-water treatment facility. The storm-water that enters the lines is not intended to undergo the full wastewater treatment process and, at times, causes harm to the natural treatment process due to overflows and low biological matter. The City is continuing to invest in improving our waste-water collection network to reduce inflow and infiltration of storm-water into the network which prevents operational burden on the waste-water treatment facility. In fiscal year 2024 a significant majority of the project was completed and it is expected to be fully complete in fiscal year 2025.

Moss Springs Pump Station

The Moss Springs Pump Station is responsible for pumping treated water to the east side of town. With increased growth and expected future capacity needs on the water distribution system, the City has awarded a formal bid to a contractor to rehabilitate the pump station. The rehabilitation includes replacing pumps with higher capacity and more balanced pumps, electrical upgrades, and improvements to the SCADA monitoring system. The project is ongoing into fiscal year 2025.

Advanced Metering Infrastructure

Our current metering infrastructure for both water and electric meters is enabled with automated meter reading which prevents meter technicians from having to manually read and key each and every meter. Through substantial rebates offered through our arrangements with North Carolina Municipal Power Agency 1, we are able to fully fund an Advanced Meter Infrastructure (AMI) program. AMI, which are otherwise known as "smart meters" allows the City and its customers insights into daily consumption of energy and water, provide the City the ability to more closely monitor service deficiencies, and offers the ability to implement sophisticated outage management programs. The status of this project was temporarily halted due to the need of migrating Utility software billing programs, but is continuing into fiscal year 24/25.

Jack F. Neel Water Treatment Plant Expansion

Our Jack F. Neel water treatment facility currently provides approximately five million gallons of treated water to Concord-Kannapolis and approximately two-hundred thousand gallons a day to the Highway 52 water treatment facility. Through both formal and informal requests for capacity by multiple external agencies, the City is evaluating the potential to expand the Jack F. Neel water treatment facility to produce eighteen million gallons per day. LKC Engineering has provided a sealed preliminary engineering report for the City's review and we are actively seeking funding opportunities to support this project.

Relevant Financial Policies

General governmental funds are presented on a modified accrual basis. Revenues are recorded when measurable and available, and expenditures are recorded when they are incurred. Adjustments are made to governmental funds to convert them to full accrual basis that is used in presenting the government-wide statements. Enterprise funds, while kept on a budgetary basis, are shown as full accrual. The City's internal controls are designed to provide reasonable assurance regarding the safekeeping of assets against loss and the reliability of financial records.

Awards and Acknowledgements

The City of Albemarle Public Utilities Electric Division was once again awarded the diamond level Reliable Public Power Provider (RP3) award in January 2021. Albemarle is now part of the 254 utilities that are currently recognized by the RP3 program as having demonstrated high proficiency in the four key areas of reliability, safety, workforce development and system improvement. Albemarle Electric Division has had the privilege of being awarded one gold,

three platinum and two diamond with diamond being the highest one of all. Every three years, Albemarle goes through a rigorous process for both operational and business excellence.

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 Albemarle for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the seventh year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This 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. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully submitted,



E. Todd Clark
City Manager



Jacob W. Weavil
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Albemarle
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF ALBEMARLE, NORTH CAROLINA

CITY GOVERNING BODY AND OFFICIALS

JUNE 30, 2024

MAYOR

G. R. MICHAEL

CITY COUNCIL

MARTHA SUE HALL - MAYOR PRO-TEM

BENTON DRY

BILL ALDRIDGE

CHRIS WHITLEY

CHRIS BRAMLETT

DEXTER G. TOWNSEND

DAVID HUNT

OTHER OFFICIALS

TODD CLARK

CITY MANAGER

DARREN RHODES

ASSISTANT CITY MANAGER

JACOB WEAVID

FINANCE OFFICER

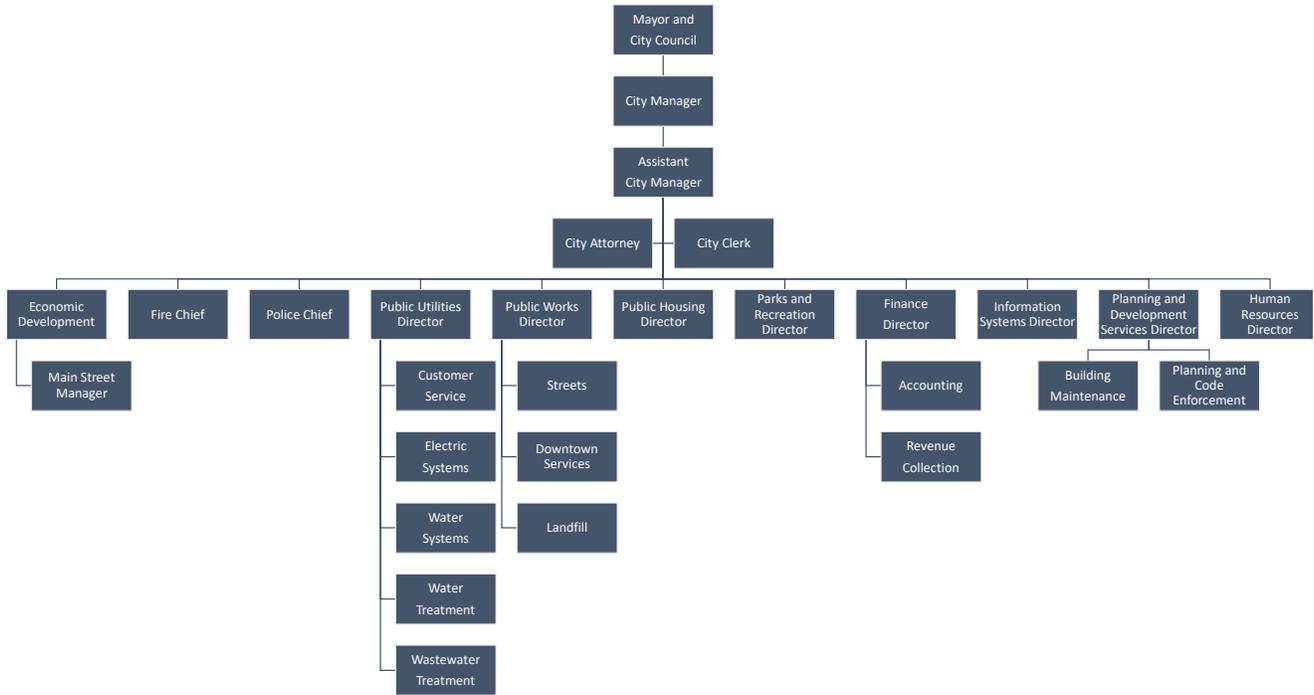
BRITT BURCH

CITY ATTORNEY

CHRISTINA BROWN

CITY CLERK

CITY ORGANIZATIONAL CHART





ALBEMARLE
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FINANCIAL SECTION



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

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

Independent Auditor’s Report

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, 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 Albemarle, North Carolina, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Albemarle ABC Board, which represents 100%, 100%, and 100%, respectively, of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2024. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Albemarle ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit Financial Statements section of our report. We are required to be independent of the City of Albemarle, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related 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 Albemarle ABC Board were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Officers' Special Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered-Employee Payroll, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, 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 City of Albemarle's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied 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 by us and the other auditors. In our opinion, based on our audit and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, Financial Data Schedule, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024 on our consideration of the City of Albemarle's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 Albemarle's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 25, 2024

Management's Discussion and Analysis

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

Financial Highlights

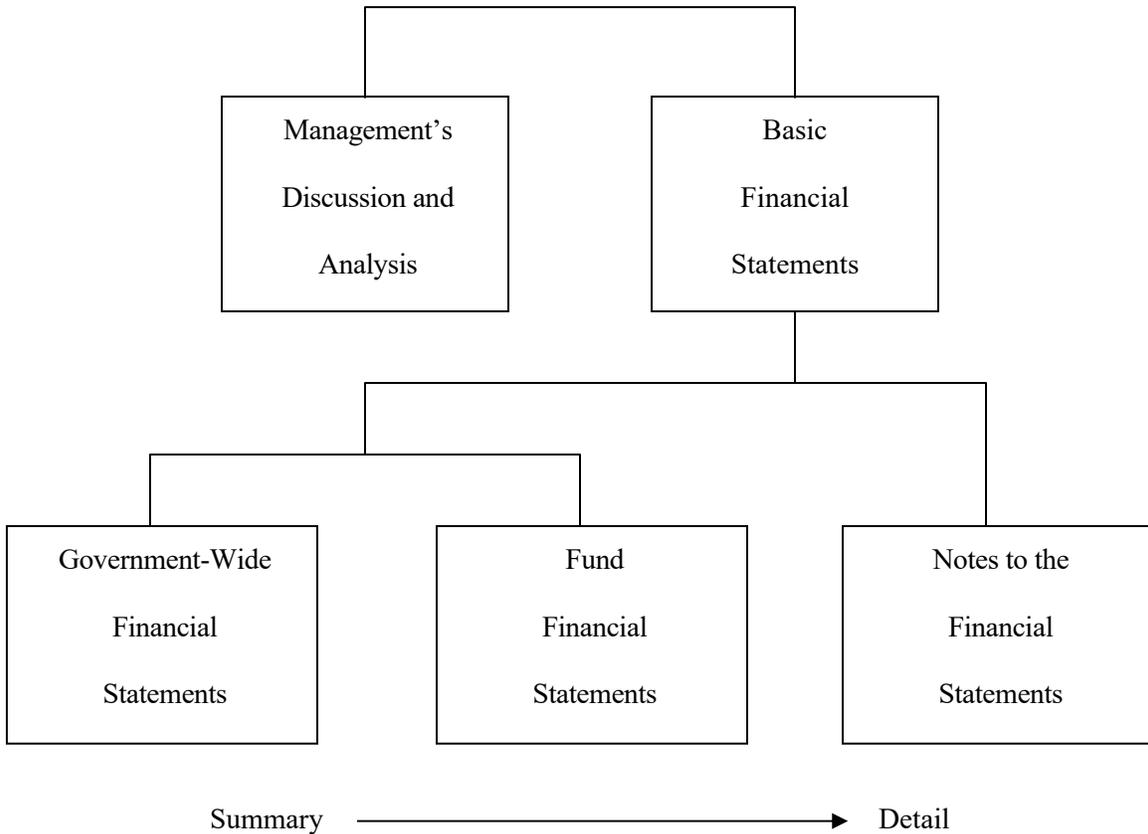
- The assets and deferred outflows of resources of the City of Albemarle exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$106,005,997.
- The government's total net position increased by \$5,150,148. The majority of the growth is attributable to the recognition of \$1,634,731 in operating grants and contributions for salary and benefit reimbursements from the American Rescue Plan Fund (ARPA Fund), increases to interest earnings due to rising rates, increases to water and sewer rates, and a reduction to Landfill expenditures for closure and post-closure care costs of \$2,308,673.
- As of the close of the current fiscal year, the City of Albemarle's governmental funds reported combined ending fund balances of \$17,424,916, a decrease of \$2,777,293 in comparison with the prior year. Approximately 31.4 percent of this total amount, or \$5,471,735, is restricted or non-spendable. The decrease in combined fund balance is primarily attributable to capital outlays of major projects that were funded in previous fiscal years, which were partially offset by gains to the General Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,993,481, or 40.7 percent, of total General Fund expenditures for the fiscal year.
- The City of Albemarle's total debt increased by \$1,338,346 during the current fiscal year. The reduction of the City's debt is due to a net decrease in existing borrowings over new borrowings.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Albemarle'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 Albemarle.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) 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 C through I) 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 Statements

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

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component unit. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water and sewer services, electric services, landfill services, and public housing offered by the City of Albemarle. The final category is the component unit. Although legally separate from the City, the ABC Board is important to the City. The City exercises control over the Board by appointing its members and because the Board is required to distribute its profits to the City.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Albemarle, 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 Albemarle 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. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Albemarle 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.

Proprietary Funds – The City of Albemarle has two types of proprietary funds: enterprise and internal service. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Albemarle uses enterprise funds to account for its water and sewer activity, and for its electric, landfill and public housing operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City. The City uses an internal service fund to account for one activity – its self-insurance health insurance plan. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

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 are on pages 35 through 84 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 Albemarle’s progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 85 through 94 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.

Government-Wide Financial Analysis

City of Albemarle's Net Position Figure 2

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 19,600,594	\$ 24,994,391	\$ 44,179,420	\$ 42,549,174	\$ 63,780,014	\$ 67,543,565
Capital assets	35,359,873	29,857,984	76,429,054	72,007,227	111,788,927	101,865,211
Total assets	<u>54,960,467</u>	<u>54,852,375</u>	<u>120,608,474</u>	<u>114,556,401</u>	<u>175,568,941</u>	<u>169,408,776</u>
Deferred Outflows of Resources						
	<u>6,916,564</u>	<u>6,579,486</u>	<u>4,143,727</u>	<u>3,983,836</u>	<u>11,060,291</u>	<u>10,563,322</u>
Liabilities:						
Long-term liabilities	21,928,414	21,784,619	42,990,071	40,382,893	64,918,485	62,167,512
Other liabilities	4,154,072	5,749,428	8,051,956	7,941,690	12,206,028	13,691,118
Total liabilities	<u>26,082,486</u>	<u>27,534,047</u>	<u>51,042,027</u>	<u>48,324,583</u>	<u>77,124,513</u>	<u>75,858,630</u>
Deferred Inflows of Resources						
	<u>2,334,803</u>	<u>2,186,706</u>	<u>1,163,919</u>	<u>1,070,913</u>	<u>3,498,722</u>	<u>3,257,619</u>
Net Position:						
Net investment in capital assets	30,017,639	24,515,936	50,504,880	48,203,925	80,522,519	72,719,861
Restricted	5,391,204	3,519,287	8,046	84,913	5,399,250	3,604,200
Unrestricted	<u>(1,949,101)</u>	<u>3,675,885</u>	<u>22,033,329</u>	<u>20,855,903</u>	<u>20,084,228</u>	<u>24,531,788</u>
Total net position	<u>\$ 33,459,742</u>	<u>\$ 31,711,108</u>	<u>\$ 72,546,255</u>	<u>\$ 69,144,741</u>	<u>\$106,005,997</u>	<u>\$100,855,849</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Albemarle exceeded liabilities and deferred inflows of resources by \$106,005,997 as of June 30, 2024. The City's net position increased by \$5,150,148 for the fiscal year ended June 30, 2024. The largest portion of net position (76.0%) reflects the City's net investment in capital assets (e.g., land, buildings, and equipment). The City of Albemarle uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Albemarle's net investment in 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 Albemarle's net position, \$5,399,250 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,084,228 is unrestricted.

The following table provides a summary of the City's changes in net position:

**City of Albemarle's Changes Net Position
Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 2,440,538	\$ 2,179,206	\$ 50,405,471	\$ 47,572,925	\$ 52,846,009	\$ 49,752,131
Operating grants and contributions	3,227,967	4,686,156	1,844,285	1,742,406	5,072,252	6,428,562
Capital grants and contributions	1,081,464	334,089	330,506	156,962	1,411,970	491,051
General revenues:						
Property taxes	8,733,467	8,307,753	-	-	8,733,467	8,307,753
Other taxes	8,565,201	8,223,418	205,199	228,495	8,770,400	8,451,913
Interest earned	840,836	724,977	1,376,799	821,353	2,217,635	1,546,330
Total revenues	<u>24,889,473</u>	<u>24,455,599</u>	<u>54,162,260</u>	<u>50,522,141</u>	<u>79,051,733</u>	<u>74,977,740</u>
Expenses:						
General government	4,515,856	3,496,483	-	-	4,515,856	3,496,483
Public safety	11,603,257	10,683,661	-	-	11,603,257	10,683,661
Public works	5,487,429	3,669,740	-	-	5,487,429	3,669,740
Cultural and recreational	2,489,321	2,289,668	-	-	2,489,321	2,289,668
Interest on long-term debt	210,657	236,296	-	-	210,657	236,296
Water and sewer	-	-	14,364,189	13,239,960	14,364,189	13,239,960
Electric	-	-	27,615,333	27,998,233	27,615,333	27,998,233
Landfill	-	-	3,736,770	5,723,160	3,736,770	5,723,160
Public housing	-	-	3,878,773	3,520,891	3,878,773	3,520,891
Total expenses	<u>24,306,520</u>	<u>20,375,848</u>	<u>49,595,065</u>	<u>50,482,244</u>	<u>73,901,585</u>	<u>70,858,092</u>
Change in net position before transfers	582,953	4,079,751	4,567,195	39,897	5,150,148	4,119,648
Transfers in (out)	<u>1,165,681</u>	<u>1,415,344</u>	<u>(1,165,681)</u>	<u>(1,415,344)</u>	<u>-</u>	<u>-</u>
Change in net position	1,748,634	5,495,095	3,401,514	(1,375,447)	5,150,148	4,119,648
Net Position:						
Beginning of year - July 1	<u>31,711,108</u>	<u>26,216,013</u>	<u>69,144,741</u>	<u>70,520,188</u>	<u>100,855,849</u>	<u>96,736,201</u>
End of year - June 30	<u>\$ 33,459,742</u>	<u>\$ 31,711,108</u>	<u>\$ 72,546,255</u>	<u>\$ 69,144,741</u>	<u>\$ 106,005,997</u>	<u>\$ 100,855,849</u>

Governmental Activities. Governmental activities increased the City’s net position by \$1,748,634. Key elements of this increase are as follows:

- Recognition of \$1,522,587 in restricted ARPA fund revenues were transferred, along with related investment earnings of \$237,837, to governmental activities for revenue replacement and were the primary contributor to the increase in governmental activity net position.
- Additional impacts due to increased revenues and expenses are discussed in more detail relating to the increase in fund balance to the General Fund.

Business-Type Activities. Business-type activities increased the City of Albemarle’s net position by \$3,401,514. Key elements of this increase are as follows:

- Charges for Services grew by 6% primarily due to rate increases in the Water Sewer Fund, which were a 3% increase to water rates and a 8% increase to sewer rates charged during the year. The disparate rate adjustments were intended to move toward greater cost of service equity between water and sewer services.
- Interest earned grew by \$555,446 due to the rising rate environment.
- Landfill expenses dropped by 34.7% primarily due to a reduction of \$2,308,673 in charges for the closure and post-closure care costs. The increase to last fiscal year was a result of fiscal year 2023 being the year that engineered cost estimates were recalculated, as required by the State Department of Environmental Quality.

Financial Analysis of the City’s Funds

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

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

The General Fund is the chief operating fund of the City of Albemarle. At the end of the current fiscal year, City of Albemarle’s unassigned fund balance in the General Fund was \$8,993,481, while total fund balance amounted to \$14,608,300. Unassigned General Fund balance represents 40.7 percent of total General Fund expenditures, while total fund balance represents 66.1 percent of that same amount.

At June 30, 2024, the governmental funds of City of Albemarle reported a combined fund balance of \$17,424,916, a 13.7 percent decrease as compared to the prior year. Included in this change in fund balance is the increase in fund balance in the General Fund in the amount of \$2,854,859.

The underlying reasons for the increase in fund balance of the General Fund relates to the following:

- Revenues grew by 7.3% for the year, primarily due to:
 - Ad valorem tax revenues increased for the year, which grew because of an average increase of 5.8% in taxable property values, driven by increased local real estate market values and economic growth the City is experiencing (particularly in the residential real estate markets).
 - Unrestricted intergovernmental revenues increased for the year primarily due to growth in local option sales tax, which grew by 3.7% from the prior year, driven by local economic growth that is slightly outpacing the State-wide annual collections growth rate of 3.5%.
 - Investment earnings increased for the year by 66%, primarily due to the rising rate environment.
- Expenditures grew by 13.6% for the year, primarily due to:
 - \$1,610,251 increase to salaries and benefits, which is primarily driven by higher cost of living pay adjustments due to inflation as well as the City’s continued implementation of compensation studies to address salary compression for long-time employees.
 - \$1,548,453 increase to other operating expenditures, primarily due to inflation.
- Other Financing Sources and Uses grew by 80.5% for the year, primarily due to:
 - Fund Transfers In resulting in a net gain to Fund Balance:
 - \$677,791 from the closure of the Sports Complex and Ingram Park projects.
 - \$1,760,424 from the American Rescue Plan Fund to reimburse for Public Safety salaries and benefits, which was partially offset by a \$250,000 transfer out to the Alleyway project Fund.

The overall decrease in Governmental fund balance for the year is primarily contributed to the significant capital outlays of the Albemarle Business Park, King’s Alleyway, and the General Capital Projects Fund.

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.

Total amendments to the General Fund increased appropriations by \$2,874,244, representing a 12.5% increase from the original budget. The following represent items for which budget amendments were made during the year:

Amount	Description
\$1,200,000	For the acquisition of Solid Waste Collections equipment in the Public Works Department, related to a fiscal year 2025 expansion of the City’s solid waste collections services to begin collecting loose leaves in-house (i.e., in lieu of contracting this service)
\$951,500	To appropriate unspent funds in fiscal year 2023 for the City’s street maintenance preservation program into the Public Works Department

\$10,000	For contracting with a consulting company for the purpose of recruiting a new City Manager (previous retired in February of 2023)
\$4,744	For additional equipment to be attached to a new fleet service truck in the Fleet Maintenance Department, also related to the proposed expansion of the City's solid waste collections services in fiscal year 2025
\$183,800	To appropriate funds to be received from Stanly County for a new partnership program agreement related to afterschool programming in the Parks and Recreation Department
\$250,000	For an additional fund transfer to the Courthouse Alleyway Project
\$136,400	For early staffing and operational costs needed in the Public Works Department to begin recruitment efforts for the expansion of the City's solid waste collection services
\$92,000	For emergency capital replacement of City Hall's HVAC system
\$45,800	To appropriate insurance proceeds received to purchase a new Police cruiser

Proprietary Funds: The City of Albemarle's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$3,781,730; for the Electric Fund \$20,277,590; for the Landfill Fund (\$1,774,967); and for the public housing (\$32,249). The total change in net position for each fund was \$1,869,932, \$2,357,135, \$749,045, and (\$1,069,189), respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Albemarle's business-type activities.

Capital Assets and Debt Administration

Capital Assets: The City of Albemarle's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$111,788,927 (net of accumulated depreciation and amortization). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles. The total increase in capital assets for the current fiscal year is 9.75%

Major capital asset transactions in Governmental Activities during the year include the following:

Asset Class	Amount	Description
Buildings and Other Improvements	\$47,349	Improvements made to the E.E. Wadell Center for roof repairs and bathroom renovations
	\$58,935	Acquisition of a new storage building for the expected solid waste collections equipment
	\$329,966	Conversion of the Sports Complex Construction-in-Progress to a fully depreciating asset
Equipment and Vehicles	\$1,507,711	Acquisition of new Motorola Radios to improve the City's emergency response communications
	\$223,104	For routine replacement of 6 Police cruisers to maintain the fleet's service levels
	\$237,960	Investments into new vehicles and equipment related to the expansion of solid waste loose leaf collection services in fiscal year 2025, including a Mack service truck. The service truck is related to the \$1.2M budget amendment previously discussed in the General Fund.
	\$137,763	Investment to refurbish a Fire Department ladder truck to extend the useful life as a reliable secondary emergency response vehicle to the new Front Line Fire Engine
	\$72,627	Improvements made at the E.E. Waddell Center, new playground equipment and basketball goals
	\$2,360,468	Investment into the Albemarle Business Center Project, which is scheduled for completion in fiscal year 2025

Construction in Progress	\$703,789	Investment into a “Site Ready” project at the Albemarle Business Center, scheduled for completion in fiscal year 2025. This project is funded through a grant received by the Golden Leaf Foundation and once complete will have a site ready for construction for potential developers.
	\$824,572	Investment into the Alleyway project to provide a public recreational space in the City’s downtown area. The project was completed as of August 2024.
	\$777,399	Construction of a new Front Line Fire Engine that was completed in July of 2024.

Major capital asset transactions in Business-Type Activities during the year include the following:

Asset Class	Amount	Description
Equipment and Vehicles	\$582,595	Acquisition of a new Western Star Jet Vac Truck for the Water and Sewer Fund
	\$258,627	Acquisition of a new Freightliner Heavy Duty service truck for the Electric Fund
	\$467,509	Investment in a new Caterpillar Excavator for the Landfill Fund
Construction in Progress	\$6,813,886	Investments into the City’s Water and Sewer Infrastructure as part of the Phase 3 Inflow and Infiltration improvements. See the City’s adopted 5 year Capital Improvement Plan for future investments to the Water and Sewer Fund designed to address the aging infrastructure and buildings.
	\$219,340	Investments to the Waste Water Treatment Plant Comprehensive Rehabilitation project. The project is currently only at the Engineering/Soft Cost design phase, and is an anticipated \$26.5M to construction project to make improvements at the Long Creek Waste Water Treatment Facility.

**City of Albemarle's Capital Assets
Net of Accumulated Depreciation/Amortization
Figure 4**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 4,518,938	\$ 4,518,938	\$ 1,020,598	\$ 1,020,598	\$ 5,539,536	\$ 5,539,536
Infrastructure	3,225,125	3,454,027	21,348,452	22,402,020	24,573,577	25,856,047
Other improvements	922,507	655,148	442,423	499,175	1,364,930	1,154,323
Buildings	9,581,305	10,155,340	31,593,541	33,974,749	41,174,846	44,130,089
Furniture and fixtures	-	-	26,519	31,823	26,519	31,823
Equipment	5,158,265	3,129,649	7,869,863	7,432,689	13,028,128	10,562,338
Construction in progress	11,529,973	7,360,482	14,104,887	6,584,155	25,634,860	13,944,637
Right to use leased assets	390,888	511,057	4,664	21,068	395,552	532,125
Subscription assets	32,872	73,343	18,107	40,950	50,979	114,293
Total	<u>\$ 35,359,873</u>	<u>\$ 29,857,984</u>	<u>\$ 76,429,054</u>	<u>\$ 72,007,227</u>	<u>\$ 111,788,927</u>	<u>\$101,865,211</u>

Additional information on the City's capital assets can be found in note 2.A. of the basic financial statements.

Long-Term Debt: As of June 30, 2024, the City of Albemarle had no outstanding bonded debt.

**City of Albemarle's Outstanding Debt
Figure 5**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Direct placement and direct borrowing - installment debt	\$ 4,920,458	\$ 5,550,358	\$ 26,249,613	\$ 24,090,944	\$ 31,170,071	\$ 29,641,302
Lease liabilities	394,679	508,807	4,471	21,015	399,150	529,822
Subscription liabilities	36,360	75,248	23,409	44,272	59,769	119,520
Total	<u>\$ 5,351,497</u>	<u>\$ 6,134,413</u>	<u>\$ 26,277,493</u>	<u>\$ 24,156,231</u>	<u>\$ 31,628,990</u>	<u>\$ 30,290,644</u>

City of Albemarle's Outstanding Debt

The City of Albemarle's total debt increased by \$1,338,346 during the past fiscal year, primarily due to a net decrease in existing borrowings over new borrowings.

Not reported in the figures above is an interfund borrowing that is reported as a liability and a receivable:

- \$1,652,772 owed by the General Fund to the Electric Fund for the Albemarle Business Park project.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Albemarle is \$107,579,163.

Additional information regarding the City of Albemarle's long-term debt can be found in Note 2.B.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the current and underlying economic conditions surrounding the City of Albemarle.

- Access to qualified labor is one of the key decision drivers for company relocations and expansions. The unemployment rate in June 2024 for Stanly County was 3.7%, just slightly higher than the State's unemployment rate of 3.6%. Stanly County's workforce is 30,905 and our labor participation rate is 60.82%. Within a 45-minute drivetime from Albemarle, the 5-year population growth equaled 5.2% (2017 to 2022). Local population growth and access to an available and trained workforce enhances our competitive advantage regionally and statewide.
- In 2024, Albemarle celebrated its 31st year as a member of the North Carolina Main Street Program. The membership of this program continues to see capital investments to the downtown area which spurs job growth.
- The City of Albemarle continued its trend of high growth in the residential sector and saw a modest increase in commercial growth year over year.
- The City average just 15 housing units constructed over a 9-year period from 2010 to 2018. Since 2019 we have averaged 150 units per year. Over 45% of all new housing units constructed since 2000 have been built in the last 4 years. We saw 215 new housing units completed in fiscal year 2024, an increase of 9 units and 4.3% above fiscal year 2023. 91% of all new housing units constructed this year were single family detached homes. While exact investment in dollars in the current year is not accessible at the time being, based on median home costs over the last year we estimate a total investment in new residential construction of approximately \$62 million in the current year.
- While new commercial development has remained well below the 25-year average of 57K square feet annually and far below the its peak of over 200K annually in 2005, we saw a significant increase in year over year commercial construction. Fiscal year 2024 saw approximately 32K sq ft. Of new commercial construction, almost double that of last year. Construction was primarily smaller retail projects of less than 10K square feet and included a new a Family Dollar/Dollar Tree, Albemarle Sweet Shop, Stanly Community Ministries expansion, self-storage facility and redevelopment of a gas station. The bulk of this year's non-residential construction has continued the trend of upfitting older structures, with several existing stores redeveloped and/or re-used. This points to a continued increase in commercial property values and is helping to aid in the rehabilitation and rejuvenation of older commercial areas in the City. Total new construction investment in the current fiscal year is estimated around \$7.7M.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Developing a balanced budget that meets the needs of our community is a complex task, especially given the escalating costs of operations and the increasing demands placed on the City of Albemarle. One persistent challenge arises from the constrained revenue structure imposed on municipalities in North Carolina, which limits our revenue options and heavily relies on property taxes. As we approach the final year before the Countywide revaluation of property values, these challenges are further magnified. Despite moderate growth in the tax base from new development, adjusted for inflation, our tax base remains largely unchanged from four years ago. In essence, amidst historically high inflation leading to elevated costs, we find ourselves depending on revenue from a property tax base comparable to that of 2020. In addition, sales tax revenue has decreased from previous years, we are adding a new solid waste fund, and implementing the first year of the increased capital funding in a variety of areas including a Capital Improvement Plan (CIP). A final challenge is in the new Public Housing Cost Allocation Plan that reduces allocations to other City funds.

Alignment with the Strategic Plan

The proposed budget was developed to align with the goals and objectives in the City of Albemarle's Strategic Plan. As you'll recall, the Strategic Plan was drafted following responses from residents, feedback from City Staff, and input from City Council. Since the adoption of the Strategic Plan in 2022, another Community Survey was conducted to track progress.

The 2023 Community Survey ratings on Albemarle as a place to live and raise a family, have improved significantly. The 2023 Community Survey also showed residents noted improvements in feeling of safety, diversity of businesses and services, and parks and open spaces. Proposed Budget The proposed budget includes 1 new full-time position and 2 part-time positions as part of the Solid Waste Collection Division. This Division will be in the Public Works Department and will function as an enterprise fund sustained by operational revenue. Beyond this position, this budget does not include funding for additional positions. Recognizing there are staffing needs to address growing demands, I recommend funding a staffing study to analyze and determine the new positions necessary and when these should be funded over the next five years. This will allow the City to be strategic in adding human infrastructure to meet increased service demands and to calibrate staffing and revenue relative to the growth the City is experiencing. I am proposing that there be no property tax rate increase. The proposed General Fund budget is \$20,801,087 with ad valorem tax rate remaining at .61 per \$100 of valuation. This budget represents a slight decrease from the current year's General Fund Budget of \$22,356,706. This decrease is primarily due to moving Solid Waste Collection to its own fund. 56% of the total General Fund budget is allocated to the Police and Fire Departments. As in the past more than 100% of all property tax revenue to be collected by the City will be required to fund the Police and Fire Departments. These two Departments are projected to cost \$11,563,181 while property tax revenue collections are projected to be only \$8,754,598.

General Fund

Major projects and expenditures in the General Fund include the following:

- 1) Police will add 3 vehicles for sworn officers.
- 2) Protective equipment will be purchased for Police.
- 3) Continuing the City Parks and Recreation Master Plan.
- 4) Mower for Downtown Property Maintenance
- 5) Enhanced NEO Gov application to expand staff training and professional development opportunities.
- 6) Plan to determine staffing needs over the next five years.
- 7) Street maintenance and improvement 5-year Plan.
- 8) Continuing Land Use Plan Development.
- 9) Expansion of marketing for the Albemarle Business Center.
- 10) Continued funding of the Catalyst Grant Program.

Powell Bill Fund

The Powell Bill fund is proposed at \$775,335 and represents an increase of 33% from the current Powell Bill budget. The budget for FY 23-24 was \$580,397. Street Improvement Program The primary focus of capital spending in this proposed budget is on street maintenance, which is the top area for improvement cited in the community survey and a primary goal set by City Council. The \$1,300,000 in the FY 2024/2025 Budget for funding for street maintenance represents, to date, the largest City allocation in this area. It is my recommendation that this amount (or more) be sustained in future years to create a five-year Street Improvement Program. With consistent commitment and attention paid to street maintenance, significant improvement to this critical infrastructure can be made. I further recommend a five-year street improvement plan be developed this year to guide the implementation of this Program.

Capital Improvement Plan (CIP)

This is the first year of a five-year Capital Improvement Plan (CIP) which I am recommending be adopted with this budget. The following CIP items for this budget year include:

1. Pickle Ball Court Resurfacing at Rock Creek Park.
2. Matching funds for NC Commerce grant for streetscape project at 5 Points.
3. Replacement of Virtual Network Server.
4. HVAC Replacement (phase 2 of 3) for City Hall.

Much of the funding in this budget for street maintenance and the CIP is provided by either combining funds from the previous year and from fund balance. Therefore, funding at adequate levels to implement these priorities is not sustainable in future years without additional revenue. Plans are developed to focus on priorities and are implemented only with adequate funding. Therefore, it should be emphasized that funding these priorities over the next five years, will require wise utilization of the anticipated revenue increase from the revaluation of property next year.

Water and Sewer Fund

The Water and Sewer Budget is proposed at \$15,239,820, which is an increase of 1% over the current Fiscal Year. The proposed budget recommends no increases to water rates, assessment rates and tap fees. A \$2.90 fixed monthly rate increase is proposed for sewer services to recuperate principal and interest payments for the phase 3 sanitary sewer I & I project.

The water and sewer budget includes the following highlighted projects: 1. Installation of a generator at the Old Whitney raw water pump station. 2. Installation of supervisory control and data acquisition devices at all sanitary sewer lift stations. 3. Continuance of the water meter replacement plan. 4. Cleaning, inspections, and repairs for plant clear wells.

Electric Fund

The Electric Fund has a proposed budget of \$33,389,320. This represents an increase of .42% over the FY 2023/2024 Budget. The proposed budget recommends a number of changes to electric rates to more closely align with cost of service to varying classes of electric customers. Amongst all rate classes, an average revenue increase of 0.02% is proposed. The average residential and small commercial electric customer will experience approximately a 1% decrease in their electric bill.

Solid Waste Disposal Fund (Landfill Fund)

The Solid Waste Disposal Fund has a proposed budget of \$3,938,973 for FY 2024/2025. This represents a 7.38% decrease compared to FY 2023/2024.

Solid Waste Collection Fund (New for FY 2024/2025)

The Solid Waste Collection Fund has been moved from the General Fund to a self-funding enterprise fund. The Fund has a proposed budget of \$2,692,919, which represents an increase of 58%. Fees will be utilized to fund the solid waste collection contract and collection of leaves and limbs which has been brought in house this year. The solid waste disposal fee will remain at \$4.62 per month and the Solid Waste Collection fee will likely increase to address the rising costs of doing business.

Public Housing Fund

The Public Housing Section 8 proposal reflects a total budget of \$1,196,383 in FY 24/25 which is an increase of 14% from FY23/24. While the Conventional Public Housing Budget is proposed at \$1,441,992 which is a decrease of 9% from the FY23/24 budget. The increase in Section 8 Budget and decrease in the Conventional Budget is the result of the proposed Costs Allocation Plan that should be considered along with the City FY 2024/2025 budget. Health Insurance Fund FY 24/25 begins the eighth year of a self-funded health insurance program. The proposed budget for this fiscal year reflects a total budget of \$3,555,570 which is an increase of 6.77% from the FY 2023/24 budget.

Employee Compensation

In all funds the budget provides for compensation increase in the cost-of-living adjustments (COLA) and merit pay. The COLA which would go into effect after budget adoption is recommended at 2%. Merit pay has also been funded as part of the City's performance evaluation program. In total 3.5% is provided in the budget to address various compensation needs.

Last year we began implementation of an annual study of salaries of positions for 1/3 of the City's workforce and adjusted where needed. This budget recommends that we continue in year 2 of this 3-year study as funds have been budgeted to make market adjustments where necessary. This budget also funds the sixth consecutive year of mandated increases in the City's contribution on behalf of employees to the NC Local Government Retirement System.

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 Albemarle, P O Box 190, Albemarle, North Carolina 28002.



ALBEMARLE
NORTH CAROLINA
Water. Air. Land. Opportunity.

BASIC FINANCIAL STATEMENTS

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	City of Albemarle ABC Board
Assets:				
Current assets:				
Cash and cash equivalents	\$ 16,390,434	\$ 30,038,587	\$ 46,429,021	\$ 929,069
Taxes receivable - net	141,559	-	141,559	-
Accounts receivable - net	300,950	6,319,109	6,620,059	-
Due from other governments	3,708,425	-	3,708,425	-
Internal balances	(1,433,997)	1,433,997	-	-
Inventories	12,763	4,326,550	4,339,313	714,619
Prepaid expenses	58,505	93,433	151,938	12,158
Restricted cash	421,955	1,967,744	2,389,699	-
Total current assets	<u>19,600,594</u>	<u>44,179,420</u>	<u>63,780,014</u>	<u>1,655,846</u>
Capital assets:				
Land and construction in progress	16,048,911	15,125,485	31,174,396	222,167
Other capital assets, net of depreciation	18,887,202	61,280,798	80,168,000	761,659
Right to use assets, net of amortization	423,760	22,771	446,531	-
Total capital assets	<u>35,359,873</u>	<u>76,429,054</u>	<u>111,788,927</u>	<u>983,826</u>
Total assets	<u>54,960,467</u>	<u>120,608,474</u>	<u>175,568,941</u>	<u>2,639,672</u>
Deferred Outflows of Resources:				
Pension deferrals	4,986,381	3,006,718	7,993,099	183,228
OPEB deferrals	1,930,183	1,137,009	3,067,192	-
Total deferred outflows of resources	<u>6,916,564</u>	<u>4,143,727</u>	<u>11,060,291</u>	<u>183,228</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	2,287,574	3,837,937	6,125,511	315,497
Current portion of long-term liabilities	1,824,854	2,844,829	4,669,683	-
Accrued interest payable	41,644	24,879	66,523	-
Prepaid fees	-	273	273	-
Liabilities payable from restricted assets:				
Customer deposits	-	1,344,038	1,344,038	-
Total current liabilities	<u>4,154,072</u>	<u>8,051,956</u>	<u>12,206,028</u>	<u>315,497</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	City of Albemarle ABC Board
Long-term liabilities:				
Accrued landfill closure and post-closure costs	-	8,728,285	8,728,285	-
Total OPEB liability	7,597,219	5,131,539	12,728,758	-
Total pension liability - LEOSSA	1,865,976	-	1,865,976	-
Due in more than one year	4,968,130	24,196,994	29,165,124	-
Net pension liability	7,497,089	4,933,253	12,430,342	189,089
Total long-term liabilities	21,928,414	42,990,071	64,918,485	189,089
Total liabilities	26,082,486	51,042,027	77,124,513	504,586
Deferred Inflows of Resources:				
Prepaid taxes	2,118	-	2,118	-
Pension deferrals	403,339	27,404	430,743	48,479
OPEB deferrals	1,929,346	1,136,515	3,065,861	-
Total deferred inflows of resources	2,334,803	1,163,919	3,498,722	48,479
Net Position:				
Net investment in capital assets	30,017,639	50,504,880	80,522,519	983,826
Restricted for:				
Stabilization by state statute	4,798,999	-	4,798,999	-
Streets	412,692	-	412,692	-
General government	-	-	-	200,000
Public safety	175,390	-	175,390	-
Economic development	4,123	-	4,123	-
Housing assistance payments	-	8,046	8,046	-
Working capital	-	-	-	292,836
Unrestricted	(1,949,101)	22,033,329	20,084,228	793,173
Total net position	\$ 33,459,742	\$ 72,546,255	\$ 106,005,997	\$ 2,269,835

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 4,515,856	\$ 91,324	\$ 601,262	\$ 1,048,089
Public safety	11,603,257	156,596	1,624,422	-
Public works	5,487,429	1,948,608	947,010	33,375
Cultural and recreational	2,489,321	244,010	55,273	-
Interest on long-term debt	210,657	-	-	-
Total governmental activities	<u>24,306,520</u>	<u>2,440,538</u>	<u>3,227,967</u>	<u>1,081,464</u>
Business-Type Activities:				
Water and sewer	14,364,189	15,825,345	-	-
Electric	27,615,333	30,113,064	-	-
Landfill	3,736,770	3,922,120	-	-
Department of Public Housing	3,878,773	544,942	1,844,285	330,506
Total business-type activities	<u>49,595,065</u>	<u>50,405,471</u>	<u>1,844,285</u>	<u>330,506</u>
Total primary government	<u>\$ 73,901,585</u>	<u>\$ 52,846,009</u>	<u>\$ 5,072,252</u>	<u>\$ 1,411,970</u>
Component Unit:				
City of Albemarle ABC Board	<u>\$ 5,806,998</u>	<u>\$ 5,915,930</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	City of Albemarle ABC Board
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ (2,775,181)	\$ -	\$ (2,775,181)	
Public safety	(9,822,239)	-	(9,822,239)	
Public works	(2,558,436)	-	(2,558,436)	
Cultural and recreational	(2,190,038)	-	(2,190,038)	
Interest on long-term debt	(210,657)	-	(210,657)	
Total governmental activities	<u>(17,556,551)</u>	<u>-</u>	<u>(17,556,551)</u>	
Business-Type Activities:				
Water and sewer	-	1,461,156	1,461,156	
Electric	-	2,497,731	2,497,731	
Landfill	-	185,350	185,350	
Department of Public Housing	-	(1,159,040)	(1,159,040)	
Total business-type activities	<u>-</u>	<u>2,985,197</u>	<u>2,985,197</u>	
Total primary government	<u>(17,556,551)</u>	<u>2,985,197</u>	<u>(14,571,354)</u>	
Component Unit:				
City of Albemarle ABC Board				<u>\$ 108,932</u>
General Revenues:				
Taxes:				
Property taxes, levied for general purposes	8,733,467	-	8,733,467	-
Local option sales tax	6,271,116	-	6,271,116	-
Other taxes and licenses	2,294,085	205,199	2,499,284	-
Investment earnings	840,836	1,376,799	2,217,635	5,288
Total general revenues, excluding transfers	<u>18,139,504</u>	<u>1,581,998</u>	<u>19,721,502</u>	<u>5,288</u>
Transfers	<u>1,165,681</u>	<u>(1,165,681)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>19,305,185</u>	<u>416,317</u>	<u>19,721,502</u>	<u>5,288</u>
Change in net position	1,748,634	3,401,514	5,150,148	114,220
Net Position:				
Beginning of year, July 1	<u>31,711,108</u>	<u>69,144,741</u>	<u>100,855,849</u>	<u>2,155,615</u>
End of year, June 30	<u>\$ 33,459,742</u>	<u>\$ 72,546,255</u>	<u>\$ 106,005,997</u>	<u>\$ 2,269,835</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 13,544,668	\$ 2,843,867	\$ 16,388,535
Receivables, net:			
Taxes receivable - net	141,559	-	141,559
Accounts receivable - net	294,206	-	294,206
Interest	6,744	-	6,744
Due from other funds	792,195	-	792,195
Due from other governments	2,344,256	1,364,169	3,708,425
Inventories	12,763	-	12,763
Prepays	58,505	-	58,505
Restricted cash	412,692	9,263	421,955
Total assets	<u>\$ 17,607,588</u>	<u>\$ 4,217,299</u>	<u>\$ 21,824,887</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,200,268	\$ 608,488	\$ 1,808,756
Due to other funds	95,813	792,195	888,008
Advances from other funds	1,556,959	-	1,556,959
Total liabilities	<u>2,853,040</u>	<u>1,400,683</u>	<u>4,253,723</u>
Deferred Inflows of Resources:			
Property taxes receivable	141,559	-	141,559
License fees receivable	2,571	-	2,571
Prepaid taxes	2,118	-	2,118
Total deferred inflows of resources	<u>146,248</u>	<u>-</u>	<u>146,248</u>
Fund Balances:			
Non-spendable:			
Inventories	12,763	-	12,763
Prepays	58,505	-	58,505
Restricted:			
Stabilization by state statute	3,434,830	1,364,169	4,798,999
Streets - Powell Bill	412,692	-	412,692
Public safety	175,390	9,263	184,653
Economic development	4,123	-	4,123
Committed:			
Economic development	-	1,894,164	1,894,164
Public safety	-	11,126	11,126
Public works	-	510,628	510,628
Assigned:			
Subsequent year's expenditures	1,385,790	-	1,385,790
Parks and recreation	115,526	-	115,526
Streets - health insurance	15,200	-	15,200
Unassigned	8,993,481	(972,734)	8,020,747
Total fund balances	<u>14,608,300</u>	<u>2,816,616</u>	<u>17,424,916</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,607,588</u>	<u>\$ 4,217,299</u>	<u>\$ 21,824,887</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

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

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balance - governmental funds	\$ 17,424,916
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,936,113
Right to use leased assets and subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	423,760
Deferred outflows of resources related to pensions are not reported in the funds.	4,986,381
Deferred outflows of resources related to OPEB are not reported in the funds.	1,930,183
Other long-term assets (taxes, license receivable) are not available to pay for current period expenditures and, therefore, are deferred in the funds.	144,130
Internal service funds used by management to charge the costs of health insurance claims and premiums to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	(476,919)
Consolidation adjustment for internal balances between Internal Service Fund and the governmental funds	218,775
Long-term liabilities, including accrued interest and lease liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Installment purchases	(4,920,458)
Lease liabilities	(394,679)
Subscription liabilities	(36,360)
Total pension liability (LEOSSA)	(2,063,503)
Total OPEB liability	(7,879,343)
Compensated absences	(961,836)
Net pension liability	(7,497,089)
Accrued interest payable	(41,644)
Deferred inflows of resources related to pensions are not reported in the funds.	(403,339)
Deferred inflows of resources related to OPEB are not reported in the funds.	<u>(1,929,346)</u>
Net position of governmental activities	<u>\$ 33,459,742</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Major Fund</u>			
	<u>General Fund</u>	<u>Albemarle Business Park Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Ad valorem taxes	\$ 8,764,359	\$ -	\$ -	\$ 8,764,359
Other taxes and licenses	407,099	-	-	407,099
Unrestricted intergovernmental	8,158,102	-	-	8,158,102
Restricted intergovernmental	1,040,588	-	2,189,231	3,229,819
Permits and fees	85,597	-	-	85,597
Sales and services	2,142,311	-	-	2,142,311
Investment earnings	543,175	-	262,487	805,662
Miscellaneous	298,993	-	822,290	1,121,283
Total revenues	<u>21,440,224</u>	<u>-</u>	<u>3,274,008</u>	<u>24,714,232</u>
Expenditures:				
Current				
General government	2,609,284	-	437,065	3,046,349
Public safety	11,080,792	-	-	11,080,792
Public works	5,077,699	-	-	5,077,699
Cultural and recreation	2,318,417	-	-	2,318,417
Debt service:				
Principal retirement	782,916	-	-	782,916
Interest and other charges	217,306	-	-	217,306
Capital outlay	-	-	6,168,727	6,168,727
Total expenditures	<u>22,086,414</u>	<u>-</u>	<u>6,605,792</u>	<u>28,692,206</u>
Revenues over (under) expenditures	<u>(646,190)</u>	<u>-</u>	<u>(3,331,784)</u>	<u>(3,977,974)</u>
Other Financing Sources (Uses):				
Transfers from other funds	3,776,049	-	250,000	4,026,049
Transfers to other funds	<u>(275,000)</u>	<u>-</u>	<u>(2,550,368)</u>	<u>(2,825,368)</u>
Total other financing sources (uses)	<u>3,501,049</u>	<u>-</u>	<u>(2,300,368)</u>	<u>1,200,681</u>
Net change in fund balances	<u>2,854,859</u>	<u>-</u>	<u>(5,632,152)</u>	<u>(2,777,293)</u>
Fund Balances:				
Beginning of year - July 1, as previously presented	11,753,441	4,036,274	4,412,494	20,202,209
Change within financial reporting entity (major to nonmajor fund)	<u>-</u>	<u>(4,036,274)</u>	<u>4,036,274</u>	<u>-</u>
Beginning of year - July 1, as adjusted or restated	<u>11,753,441</u>	<u>-</u>	<u>8,448,768</u>	<u>20,202,209</u>
End of year - June 30	<u>\$ 14,608,300</u>	<u>\$ -</u>	<u>\$ 2,816,616</u>	<u>\$ 17,424,916</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

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

Net changes in fund balances - total governmental funds	\$ (2,777,293)
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.	
Capital outlay	7,487,813
Depreciation	(1,641,413)
Amortization expense for right of use assets	(160,640)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Taxes including interest and penalties	(30,892)
License fees	(90)
Expenses related to compensated absences, other post-employment benefits, net pension obligation, and pension expense that do not require current financial resources and are not reported as expenditures in the governmental funds statement.	
Compensated absences	(111,883)
Pension expense (LGERS)	(836,349)
Pension expense (LEOSSA)	(60,904)
OPEB plan expense	(129,709)
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.	
Principal payments on long-term debt	782,916
Change in accrued interest payable	6,649
Consolidation adjustment for the Internal Service Fund and the governmental funds:	
Net revenue of the Internal Service Fund	(1,101,109)
Portion of net revenue allocated to business-type activities	505,409
Net book value of property disposed of during the year	<u>(183,871)</u>
Total change in net position of governmental activities	<u>\$ 1,748,634</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Ad valorem taxes	\$ 8,411,044	\$ 8,411,044	\$ 8,764,359	\$ 353,315
Other taxes and licenses	450,125	450,125	407,099	(43,026)
Unrestricted intergovernmental	8,088,180	8,088,180	8,158,102	69,922
Restricted intergovernmental	1,398,403	1,582,203	1,040,588	(541,615)
Permits and fees	63,450	63,450	85,597	22,147
Sales and services	1,874,725	1,874,725	2,142,311	267,586
Investment earnings	252,916	252,916	543,175	290,259
Miscellaneous	224,620	270,420	298,993	28,573
Total revenues	<u>20,763,463</u>	<u>20,993,063</u>	<u>21,440,224</u>	<u>447,161</u>
Expenditures:				
Current:				
General government	2,818,037	2,920,037	2,609,284	310,753
Public safety	11,954,194	11,999,994	11,080,792	919,202
Public works	4,619,267	6,911,911	5,077,699	1,834,212
Cultural and recreational	2,461,115	2,644,915	2,318,417	326,498
Debt service:				
Principal	810,740	810,740	782,916	27,824
Interest	228,750	228,750	217,306	11,444
Total expenditures	<u>22,892,103</u>	<u>25,516,347</u>	<u>22,086,414</u>	<u>3,429,933</u>
Revenues over (under) expenditures	<u>(2,128,640)</u>	<u>(4,523,284)</u>	<u>(646,190)</u>	<u>3,877,094</u>
Other Financing Sources (Uses):				
Long-term debt issued	470,000	1,670,000	-	(1,670,000)
Transfers from other funds	1,356,640	1,356,640	3,776,049	2,419,409
Transfers to other funds	(45,000)	(295,000)	(275,000)	20,000
Appropriated fund balance	347,000	1,791,644	-	(1,791,644)
Total other financing sources (uses)	<u>2,128,640</u>	<u>4,523,284</u>	<u>3,501,049</u>	<u>(1,022,235)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,854,859</u>	<u>\$ 2,854,859</u>
Fund Balance:				
Beginning of year, July 1			<u>11,753,441</u>	
End of year, June 30			<u>\$ 14,608,300</u>	

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Major Funds					Internal Service Fund
	Water and Sewer Fund	Electric Fund	Landfill Fund	Department of Public Housing	Total	
Assets:						
Current assets:						
Cash and cash equivalents	\$ 6,871,111	\$ 15,343,801	\$ 7,485,009	\$ 338,666	\$ 30,038,587	\$ 1,899
Accounts receivable - net	1,544,587	4,201,134	495,043	78,345	6,319,109	-
Due from other funds	-	95,813	-	-	95,813	-
Inventories	336,087	3,990,463	-	-	4,326,550	-
Prepaid expenses	28,600	64,543	290	-	93,433	-
Restricted cash and cash equivalents	188,551	1,117,160	353,319	308,714	1,967,744	-
Total current assets	<u>8,968,936</u>	<u>24,812,914</u>	<u>8,333,661</u>	<u>725,725</u>	<u>42,841,236</u>	<u>1,899</u>
Non-current assets:						
Advances to other funds	-	1,556,959	-	-	1,556,959	-
Capital assets:						
Land, improvements and construction in progress	9,348,862	5,031,337	581,781	163,505	15,125,485	-
Other capital assets, net of depreciation	43,080,075	7,216,912	6,347,522	4,636,289	61,280,798	-
Right to use assets, net of amortization	10,962	7,737	1,470	2,602	22,771	-
Total capital assets, net	<u>52,439,899</u>	<u>12,255,986</u>	<u>6,930,773</u>	<u>4,802,396</u>	<u>76,429,054</u>	<u>-</u>
Total non-current assets	<u>52,439,899</u>	<u>13,812,945</u>	<u>6,930,773</u>	<u>4,802,396</u>	<u>77,986,013</u>	<u>-</u>
Total assets	<u>61,408,835</u>	<u>38,625,859</u>	<u>15,264,434</u>	<u>5,528,121</u>	<u>120,827,249</u>	<u>1,899</u>
Deferred Outflows of Resources:						
Pension deferrals	1,551,807	860,578	342,997	251,336	3,006,718	-
OPEB deferrals	600,557	343,219	139,557	53,676	1,137,009	-
Total deferred outflows of resources	<u>2,152,364</u>	<u>1,203,797</u>	<u>482,554</u>	<u>305,012</u>	<u>4,143,727</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	974,482	2,681,326	110,625	71,504	3,837,937	478,818
Prepaid fees	-	-	-	273	273	-
Compensated absences - current	154,514	179,027	26,986	25,773	386,300	-
Accrued interest payable	20,281	61	4,537	-	24,879	-
Current portion of long-term liabilities	2,085,697	86,796	283,478	2,558	2,458,529	-
Liabilities to be paid from restricted assets:						
Customer deposits	<u>188,551</u>	<u>1,117,160</u>	<u>-</u>	<u>38,327</u>	<u>1,344,038</u>	<u>-</u>
Total current liabilities	<u>3,423,525</u>	<u>4,064,370</u>	<u>425,626</u>	<u>138,435</u>	<u>8,051,956</u>	<u>478,818</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Major Funds				Total	Internal Service Fund
	Water and Sewer Fund	Electric Fund	Landfill Fund	Department of Public Housing		
Non-current liabilities:						
Accrued landfill closure and post-closure costs	-	-	8,728,285	-	8,728,285	-
Compensated absences	147,313	38,568	63,363	1,971	251,215	-
Total OPEB liability	2,646,047	1,436,001	590,909	458,582	5,131,539	-
Non-current portion of long-term debt	22,406,354	-	1,538,770	655	23,945,779	-
Net pension liability	2,552,663	1,416,536	563,738	400,316	4,933,253	-
Total non-current liabilities	27,752,377	2,891,105	11,485,065	861,524	42,990,071	-
Total liabilities	31,175,902	6,955,475	11,910,691	999,959	51,042,027	478,818
Deferred Inflows of Resources:						
Pension deferrals	14,280	6,870	2,188	4,066	27,404	-
OPEB deferrals	600,295	343,070	139,497	53,653	1,136,515	-
Total deferred inflows of resources	614,575	349,940	141,685	57,719	1,163,919	-
Net Position:						
Net investment in capital assets	27,988,992	12,246,651	5,469,579	4,799,658	50,504,880	-
Restricted net position for housing assistance payments	-	-	-	8,046	8,046	-
Unrestricted	3,781,730	20,277,590	(1,774,967)	(32,249)	22,252,104	(476,919)
Total net position	\$ 31,770,722	\$ 32,524,241	\$ 3,694,612	\$ 4,775,455	72,765,030	\$ (476,919)
Adjustment to reflection the consolidation of internal service fund activities related to enterprise funds					(218,775)	
Net position of business-type activities					\$ 72,546,255	

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Major Funds					Internal Service Fund
	Water and Sewer Fund	Electric Fund	Landfill Fund	Department of Public Housing	Total	
Operating Revenues:						
Charges for sales and services	\$ 15,641,751	\$ 28,864,891	\$ 3,629,933	\$ -	\$ 48,136,575	\$ -
Rental income	-	-	-	519,675	519,675	-
Interfund charges and employee contributions	-	-	-	-	-	3,319,967
Other	152,130	1,131,095	79,980	4,049	1,367,254	171,049
Total operating revenues	<u>15,793,881</u>	<u>29,995,986</u>	<u>3,709,913</u>	<u>523,724</u>	<u>50,023,504</u>	<u>3,491,016</u>
Operating Expenses:						
Administration	2,182,951	2,667,981	-	1,394,613	6,245,545	229,377
Water treatment plant	3,473,657	-	-	-	3,473,657	-
Sewer treatment plant	2,354,162	-	-	-	2,354,162	-
Systems division	2,782,746	-	-	-	2,782,746	-
Customer service	138,244	202,124	-	-	340,368	-
Electric operations	-	23,781,605	-	-	23,781,605	-
Landfill operations	-	-	2,864,256	-	2,864,256	-
Landfill closure and post-closure care costs	-	-	315,914	-	315,914	-
Utilities	-	-	-	289,385	289,385	-
Ordinary maintenance and operation	-	-	-	390,775	390,775	-
General expenses	-	-	-	115,985	115,985	-
Housing assistance program	-	-	-	986,262	986,262	-
Non-routine maintenance	-	-	-	12,647	12,647	-
Depreciation and amortization	2,954,271	817,041	452,309	635,441	4,859,062	-
Health benefit claims and premiums	-	-	-	-	-	4,362,922
Total operating expense	<u>13,886,031</u>	<u>27,468,751</u>	<u>3,632,479</u>	<u>3,825,108</u>	<u>48,812,369</u>	<u>4,592,299</u>
Operating income (loss)	<u>1,907,850</u>	<u>2,527,235</u>	<u>77,434</u>	<u>(3,301,384)</u>	<u>1,211,135</u>	<u>(1,101,283)</u>
Non-Operating Revenues (Expenses):						
Solid waste, scrap tire and white goods disposal tax	-	-	205,199	-	205,199	-
Operating grants	-	-	-	1,844,285	1,844,285	-
Gain (loss) on disposal of capital assets	12,160	21,541	(15,512)	-	18,189	-
Investment earnings	345,526	656,341	338,654	36,278	1,376,799	35,174
Interest and other charges	(223,937)	(519)	(37,227)	(92)	(261,775)	-
Other	19,304	95,537	212,207	21,218	348,266	-
Total non-operating revenues (expenses)	<u>153,053</u>	<u>772,900</u>	<u>703,321</u>	<u>1,901,689</u>	<u>3,530,963</u>	<u>35,174</u>
Income (loss) before contributions and transfers	<u>2,060,903</u>	<u>3,300,135</u>	<u>780,755</u>	<u>(1,399,695)</u>	<u>4,742,098</u>	<u>(1,066,109)</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Major Funds				Total	Internal Service Fund
	Water and Sewer Fund	Electric Fund	Landfill Fund	Department of Public Housing		
Capital Contributions and Transfers:						
Capital contributions	-	-	-	330,506	330,506	-
Transfers in	112,144	25,000	-	-	137,144	-
Transfers out	(303,115)	(968,000)	(31,710)	-	(1,302,825)	(35,000)
Total contributions and transfers	(190,971)	(943,000)	(31,710)	330,506	(835,175)	(35,000)
Change in net position	1,869,932	2,357,135	749,045	(1,069,189)	3,906,923	(1,101,109)
Net Position:						
Beginning of year, July 1	29,900,790	30,167,106	2,945,567	5,844,644		624,190
End of year, June 30	<u>\$ 31,770,722</u>	<u>\$ 32,524,241</u>	<u>\$ 3,694,612</u>	<u>\$ 4,775,455</u>		<u>\$ (476,919)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(505,409)	
Change in net position - business-type activities					<u>\$ 3,401,514</u>	

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Major Funds				Total	Internal Service Fund
	Water and Sewer Fund	Electric Fund	Landfill Fund	Department of Public Housing		
Cash Flows from Operating Activities:						
Cash received from customers	\$ 15,444,561	\$ 29,227,789	\$ 4,101,064	\$ 611,110	\$ 49,384,524	\$ 3,610,857
Cash paid for goods and services	(5,754,934)	(25,079,177)	(1,679,705)	(2,735,288)	(35,249,104)	(4,556,809)
Cash paid to employees for services	(4,598,635)	(3,237,357)	(1,157,985)	(436,434)	(9,430,411)	-
Net cash provided (used) by operating activities	<u>5,090,992</u>	<u>911,255</u>	<u>1,263,374</u>	<u>(2,560,612)</u>	<u>4,705,009</u>	<u>(945,952)</u>
Cash Flows from Non-Capital Financing Activities:						
Operating grants and subsidies	-	-	-	1,844,285	1,844,285	-
(Increase) decrease in advances to other funds / due from other funds	-	95,813	-	-	95,813	-
Transfers from other funds	112,144	25,000	-	-	137,144	-
Transfers to other funds	(303,115)	(968,000)	(31,710)	-	(1,302,825)	(35,000)
Net cash provided (used) by non-capital financing activities	<u>(190,971)</u>	<u>(847,187)</u>	<u>(31,710)</u>	<u>1,844,285</u>	<u>774,417</u>	<u>(35,000)</u>
Cash Flows from Capital and Related Financing Activities:						
Acquisition of capital assets	(7,643,331)	(795,478)	(1,415,634)	(61,935)	(9,916,378)	-
Principal paid on bonds and installment purchase agreements	(1,656,708)	(12,000)	(270,831)	-	(1,939,539)	-
Interest paid on long term debt	(226,029)	(580)	(37,753)	(92)	(264,454)	-
Proceeds from issuance of long-term debt	4,098,208	-	-	-	4,098,208	-
Lease liability payments made	(9,339)	(4,399)	(1,279)	(1,527)	(16,544)	-
Subscription liability payments made	(10,261)	(7,952)	(1,325)	(1,325)	(20,863)	-
Capital grants	78,565	-	-	392,441	471,006	-
Proceeds from sale of assets	13,506	22,887	-	-	36,393	-
Net cash provided (used) by capital and related financing activities	<u>(5,355,389)</u>	<u>(797,522)</u>	<u>(1,726,822)</u>	<u>327,562</u>	<u>(7,552,171)</u>	<u>-</u>
Cash Flows from Investing Activities:						
Interest earned on investments	<u>345,526</u>	<u>656,341</u>	<u>338,654</u>	<u>36,278</u>	<u>1,376,799</u>	<u>35,174</u>
Net increase (decrease) in cash and cash equivalents	(109,842)	(77,113)	(156,504)	(352,487)	(695,946)	(945,778)
Cash and Cash Equivalents:						
Beginning of year - July 1	<u>7,169,504</u>	<u>16,538,074</u>	<u>7,994,832</u>	<u>999,867</u>	<u>32,702,277</u>	<u>947,677</u>
End of year - June 30	<u>\$ 7,059,662</u>	<u>\$ 16,460,961</u>	<u>\$ 7,838,328</u>	<u>\$ 647,380</u>	<u>\$ 32,006,331</u>	<u>\$ 1,899</u>

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

CITY OF ALBEMARLE, NORTH CAROLINA

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Major Funds				Total	Internal Service Fund
	Water and Sewer Fund	Electric Fund	Landfill Fund	Department of Public Housing		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 1,907,850	\$ 2,527,235	\$ 77,434	\$ (3,301,384)	\$ 1,211,135	\$ (1,101,283)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	2,954,271	817,041	452,309	635,441	4,859,062	-
Other receipts	19,304	95,537	417,406	21,218	553,465	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:						
(Increase) decrease in accounts receivable	(358,228)	(779,012)	(26,255)	69,391	(1,094,104)	119,841
(Increase) decrease in inventory	13,904	(1,908,920)	-	-	(1,895,016)	-
(Increase) decrease in prepaid expenses	(23,686)	(58,637)	2,031	1,498	(78,794)	-
Increase (decrease) in deferred outflows of resources - pensions	(127,723)	(72,994)	(29,681)	(11,415)	(241,813)	-
Increase (decrease) in deferred outflows of resources - OPEB	55,742	(15,070)	12,651	28,599	81,922	-
Increase (decrease) in accounts payable and accrued liabilities	277,465	95,920	(62,060)	(14,154)	297,171	35,490
Increase (decrease) in net pension liability	401,523	229,471	93,306	35,887	760,187	-
Increase (decrease) in deferred inflows of resources - pensions	(13,579)	(7,760)	(3,155)	(1,213)	(25,707)	-
Increase (decrease) in deferred inflows of resources - OPEB	52,288	69,067	12,404	(15,046)	118,713	-
Increase (decrease) in customer deposits	(10,396)	(84,722)	-	(709)	(95,827)	-
Increase (decrease) in prepaid fees	-	-	-	(2,514)	(2,514)	-
Increase (decrease) in compensated absences	1,519	37,967	14,841	(914)	53,413	-
Increase (decrease) in other post-employment benefits	(59,262)	(33,868)	(13,771)	(5,297)	(112,198)	-
Increase (decrease) in accrued landfill post-closure costs	-	-	315,914	-	315,914	-
Total adjustments	<u>3,183,142</u>	<u>(1,615,980)</u>	<u>1,185,940</u>	<u>740,772</u>	<u>3,493,874</u>	<u>155,331</u>
Net cash provided (used) by operating activities	<u>\$ 5,090,992</u>	<u>\$ 911,255</u>	<u>\$ 1,263,374</u>	<u>\$ (2,560,612)</u>	<u>\$ 4,705,009</u>	<u>\$ (945,952)</u>

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

NOTES TO THE FINANCIAL STATEMENTS



ALBEMARLE
NORTH CAROLINA
Water. Air. Land. Opportunity.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Significant Accounting Policies

The accounting policies of the City of Albemarle, North Carolina, (the “City”) and its discretely presented component units 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 is a municipal corporation which is governed by an elected Mayor and a six-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 Albemarle 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 located at 1930 E. Main Street, Albemarle, North Carolina 28001.

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. However, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a 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.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 nonmajor funds.

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

The City reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, and state-shared revenues. The primary expenditures are for public safety, public works, cultural and recreation, and general governmental services.

The City reports the following nonmajor governmental funds:

Sidewalk Fee in Lieu Program Special Revenue Fund. This fund is used to account for funds for sidewalk improvements.

American Rescue Plan Special Revenue Fund. This fund is used to account for the City's portion of the American Rescue Plan Act (ARPA) funding.

Stormwater Special Revenue Fund – This fund is used to account for funds for a stormwater pilot study.

Business Center Special Revenue Fund – This fund is used to account for funds related to the design and construction of a site ready project.

Parks and Recreation Sports Complex Capital Project Fund. This fund is used to account for contributions and other funds for construction of the Wiscasset Sports Complex.

General Capital Projects Fund. This fund is used to account for funds for various general capital projects for the City.

Parks and Recreation Roosevelt Ingram Park Erosion Control Capital Project Fund. This fund is used to account for funds for erosion control measures at Roosevelt Ingram Park.

Public Works Utility Relocation Sidewalk Project Fund. This fund is used to account for funds relating to construct sidewalks on North Carolina Highway 24/27 East in relation to the widening project.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

King Alleyway Renovation Project Fund. This fund is used to account for funds for construction and rehabilitation of King Alleyway.

Albemarle Business Park Capital Project Fund. This fund is used to account for grant and other funds for construction of a business center.

The City reports the following major enterprise funds:

Water and Sewer Fund. This fund is used to account for the City's water and sewer operations. The Water and Sewer Utility Relocation Capital Project Fund and the Water and Sewer Capital Projects Fund have been consolidated into the Water and Sewer Fund for reporting purposes. Budgetary comparisons for these funds have been included in the supplementary information.

Electric Fund. This fund is used to account for the City's electric operations. The Electric Utility Relocation Project Fund and the Electric Capital Projects Fund have been consolidated into the Electric Fund for reporting purposes. Budgetary comparisons for these funds have been included in the supplementary information.

Landfill Fund. This fund is used to account for the City's landfill operations. The Landfill Capital Projects Fund has been consolidated into the Landfill Fund for reporting purposes. Budgetary comparisons for these funds have been included in the supplementary information.

Department of Public Housing. This fund is used to account for the City's public housing operations. The Conventional and Section 8 have been consolidated into the Department of Public Housing Fund for reporting purposes. The capital funds have been consolidated into the Conventional for reporting purposes. Budgetary comparisons for these funds have been included in the supplementary information.

The City reports the following fund type:

Internal Service Fund. The Health Insurance Fund is used to account for the accumulation and allocation of costs associated with employee, retiree, and family medical and dental claims. The Health Insurance Reserve Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation it is consolidated in the Internal Service Fund.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting determines when the revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All funds of the City are accounted for during the year using the modified accrual basis of accounting in accordance with the North Carolina General Statutes. The financial statements are reported at year-end as discussed below.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Government-Wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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 for the City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax collected and held by the state at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Albemarle because the tax is levied by Stanly 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 is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. 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, Sidewalk Fee in Lieu Program Special Revenue Fund, and the enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the capital project funds, American Rescue Plan Special Revenue Fund, Stormwater Special Revenue Fund, Business Center Special Revenue Fund, and the enterprise capital project funds. The enterprise capital project funds are consolidated with their respective operating funds for reporting purposes. The City's Health Insurance Fund Internal Service Fund operates under a financial plan that was adopted by the governing board at the time the City's budget ordinance was approved. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

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] 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. Non-participating interest earning investment contracts are accounted for at cost.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is a SEC-registered money mutual market fund and is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a-7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM by S&P and AAAMf by Moody's Investor Services and reported at fair value.

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

Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents. The ABC Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 for streets because they can be expended only for purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. Restrictions are also in place for grants in the Department of Public Housing Fund. The unexpended debt proceeds in the General Capital Projects Fund and the Landfill Fund are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued.

Governmental Activities:

General Fund:

Streets	\$ 412,692
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General Capital Projects Fund:

Unspent debt proceeds	<u>9,263</u>
Total governmental activities	<u>421,955</u>

Business-Type Activities:

Water and Sewer Fund:

Customer deposits	188,551
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Electric Fund:

Customer deposits	1,117,160
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Landfill Fund:

Unspent debt proceeds	353,319
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Department of Public Housing:

Customer deposits	38,327
Grant restrictions	<u>270,387</u>
Total business-type activities	<u>1,967,744</u>

Total restricted cash	<u><u>\$ 2,389,699</u></u>
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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 1st, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2023. As allowed by state law, the City has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

Inventories and Prepaid Items

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 expenditures as used rather than when purchased. If significant, the amount of inventory on hand at year end is reported on the balance sheet in the governmental funds. However, in the Government-wide Statement Activities the cost of these inventories is expensed as the items are used.

The inventories of the City's enterprise funds consist of materials and supplies held for subsequent use. The inventories of the ABC Board consist of items held for resale. The cost of these inventories is expensed when consumed rather than when purchased.

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

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$5,000 for the following types of assets: land, improvements, buildings, infrastructure, substations, lines, plant and distribution systems, equipment, and vehicles. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the time of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure capital assets consist of roads, bridges, streets and sidewalks, curbs and gutters, water and sewer system assets and electric system assets. General infrastructure capital assets acquired prior to July 1, 2003, or that received substantial improvements subsequent to July 1, 1980, are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The City's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the City reports a lease (only applies when the City is the lessee) or agreements where the City reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The City has recorded the right-to-use subscription assets related to subscription-based information technology arrangements (SBITAs) as a result of implementing GASB 96. The right to use subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus payments made to the SBITA vendor before commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right-to-use subscription assets are amortized on a straight-line basis over the life of the related SBITA.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	25 to 30 years
Electric distribution system	25 years
Water distribution lines	30 to 50 years
Sewer distribution lines	30 years
Infrastructure	30 to 50 years
Equipment	5 to 15 years
Vehicles	4 to 6 years

Property and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and improvements	40 years
Equipment	5 to 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The City has several items that meet this criterion – pension and OPEB related deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then. The City has several items that meet this criterion – prepaid taxes, license fees receivable, and property taxes receivable (reported only on the Balance Sheet of the Governmental Funds), and pension and OPEB related deferrals.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

In fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

Compensated Absences

The vacation policy of the City provides for the accumulation of up to two hundred (200) hours earned vacation leave with such leave being fully vested when earned. The number of earned hours depends on years of service. 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 ABC Board vacation policy does not permit carryforward of unused hours to a subsequent calendar year.

The City's and the ABC Board'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 and the ABC Board have no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Reimbursements for Pandemic-related Expenditures

In FY 2020/21, 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 \$5,177,559 of fiscal recovery funds to be paid in two equal installments. The first installment of \$2,588,779 was received in August 2021. The second installment was received in July 2022. City Council elected to take the standard allowance and expend it's ARPA funds for the provision of government services, specifically reimbursements for salaries and benefits. A total of \$3,901,384 is appropriated for reimbursement to the General Fund, \$1,223,625 to the Water and Sewer Fund, and \$52,550 to the Electric Fund. As of fiscal year, ending June 30, 2024, all funds have been expended.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Net Position/Fund Balances

Net Position

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

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted for Housing Assistance Payments – represents a portion of net position restricted by HUD related to the Housing Choice Voucher Program to be used for future HAP payments.

Unrestricted net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-Spendable 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.

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

Prepays – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

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

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Restricted for Economic Development – portion of fund balance that is restricted by revenue source for economic development.

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent debt proceeds of \$9,263 as of June 30, 2024.

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

Committed for Economic Development – portion of fund balance budgeted by the Board to be used for economic development expenditures.

Committed for Public Safety – portion of fund balance budgeted by the Board to be used for certain public safety expenditures.

Committed for Public Works – portion of fund balance budgeted by the Board to be used for certain public works expenditures.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Assigned Fund Balance – portion of fund balance that the City of Albemarle 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; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$1,000.

Assigned for Parks and Recreation – portion of fund balance that has been budgeted by the City Manager/Management for certain parks and recreation expenditures.

Assigned for Streets – portion of fund balance that has been budgeted by the City Manager/Management for health insurance purposes in the streets department.

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. Other governmental funds do not report positive unassigned fund balance, although they may report negative unassigned fund balance.

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

The City has not officially adopted a formal fund balance policy.

Defined Benefit Pension 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 Albemarle's employer contributions are recognized when due and the City of Albemarle 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 ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2. Detail Notes on All Funds

A. Assets

Deposits

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

At June 30, 2024, the City's deposits had a carrying amount of \$31,138,314 and a bank balance of \$31,497,732. Of the bank balance, \$750,000 was covered by federal depository insurance, \$1,603,650 was covered by collateral held under the dedicated method, and \$29,144,082 was covered by collateral held under the pooling method. At June 30, 2024, the City's petty cash fund totaled \$3,350.

At June 30, 2024, the carrying amount of deposits for the ABC Board was \$929,069 and the bank balance was \$1,016,835. Of the bank balance, the portion not covered by federal depository insurance was collateralized under the pooling method.

Investments

At June 30, 2024, the City's investment balances were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 12,263,199	N/A	AAAm/ AAAmf
U.S. Treasuries	Fair Value - Level 1	5,413,857	1-3 years	AAA
Total		<u>\$ 17,677,056</u>		

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of Fair Value Hierarchy: Level 1: Debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy limits 100% of the City’s investment portfolio to maturities of less than 12 months.

Credit Risk. The City limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The City’s investment in the North Carolina Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor’s and AAA-mf by Moody’s Investors Service as of June 30, 2024.

Receivables - Allowances for Doubtful Accounts

The amounts presented in the balance sheet and the Statement of Net Position for the year ended June 30, 2024, are net of the following allowances for doubtful accounts:

	Governmental Activities	Business-Type Activities
Taxes receivable	\$ 356,651	\$ -
Accounts receivable	-	1,654
Total	\$ 356,651	\$ 1,654

Due from other governments that is owed to the City consists of the following:

	Governmental Activities
Sales and use tax distribution	\$ 1,376,436
Sales tax refund	827,757
Grants	1,335,161
Motor vehicle tax	122,061
Other	47,010
Total	\$ 3,708,425

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Capital Assets

Primary Government

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 4,518,938	\$ -	\$ -	\$ -	\$ 4,518,938
Construction in progress	7,360,482	4,713,014	(158,321)	(385,202)	11,529,973
Total non-depreciable capital assets	<u>11,879,420</u>	<u>4,713,014</u>	<u>(158,321)</u>	<u>(385,202)</u>	<u>16,048,911</u>
Depreciable Capital Assets:					
Buildings	17,346,891	106,284	(30,916)	-	17,422,259
Other improvements	1,420,260	5,000	-	326,966	1,752,226
Infrastructure	7,542,972	-	-	-	7,542,972
Furniture and fixtures	211,999	-	-	-	211,999
Equipment	10,348,973	2,663,515	(533,009)	58,236	12,537,715
Total depreciable capital assets	<u>36,871,095</u>	<u>2,774,799</u>	<u>(563,925)</u>	<u>385,202</u>	<u>39,467,171</u>
Right-to-Use Assets:					
Leased buildings	156,422	-	-	-	156,422
Leased equipment	498,613	-	-	-	498,613
Leased land	11,920	-	-	-	11,920
Subscriptions	113,814	-	-	-	113,814
Total right-to-use assets	<u>780,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780,769</u>
Less Accumulated Depreciation:					
Buildings	7,191,551	680,319	(30,916)	-	7,840,954
Other improvements	765,112	64,607	-	-	829,719
Infrastructure	4,088,945	228,902	-	-	4,317,847
Furniture and fixtures	211,999	-	-	-	211,999
Equipment	7,219,324	667,585	(507,459)	-	7,379,450
Total accumulated depreciation	<u>19,476,931</u>	<u>1,641,413</u>	<u>(538,375)</u>	<u>-</u>	<u>20,579,969</u>
Less Accumulated Amortization:					
Leased buildings	20,556	10,278	-	-	30,834
Leased equipment	133,472	108,956	-	-	242,428
Leased land	1,870	935	-	-	2,805
Subscriptions	40,471	40,471	-	-	80,942
Total accumulated amortization	<u>196,369</u>	<u>160,640</u>	<u>-</u>	<u>-</u>	<u>357,009</u>
Total depreciable capital assets, net	<u>17,978,564</u>				<u>19,310,962</u>
Governmental activities capital assets, net	<u>\$ 29,857,984</u>				<u>\$ 35,359,873</u>

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Depreciation and amortization expenses were charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 374,154
Public safety	344,084
Public works	722,442
Cultural and recreational	<u>361,373</u>
Total depreciation/amortization expense	<u><u>\$ 1,802,053</u></u>

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

	Beginning Balances	Additions	Deletions	Ending Balances
Business-Type Activities:				
Water and Sewer Fund:				
Non-Depreciable Capital Assets:				
Land	\$ 129,349	\$ -	\$ -	\$ 129,349
Construction in progress	<u>1,955,458</u>	<u>7,264,055</u>	<u>-</u>	<u>9,219,513</u>
Total non-depreciable capital assets	<u>2,084,807</u>	<u>7,264,055</u>	<u>-</u>	<u>9,348,862</u>
Depreciable Capital Assets:				
Buildings	55,480,094	-	-	55,480,094
Water and sewer lines	44,524,371	-	-	44,524,371
Furniture and fixtures	95,991	-	-	95,991
Equipment and vehicles	<u>10,771,718</u>	<u>737,586</u>	<u>(40,818)</u>	<u>11,468,486</u>
Total depreciable capital assets	<u>110,872,174</u>	<u>737,586</u>	<u>(40,818)</u>	<u>111,568,942</u>
Right-to-Use Assets:				
Leased equipment	29,372	-	-	29,372
Subscriptions	<u>31,750</u>	<u>-</u>	<u>-</u>	<u>31,750</u>
Total right-to-use assets	<u>61,122</u>	<u>-</u>	<u>-</u>	<u>61,122</u>
Less Accumulated Depreciation:				
Buildings	31,303,505	1,522,365	-	32,825,870
Water and sewer lines	27,165,122	840,467	-	28,005,589
Furniture and fixtures	95,991	-	-	95,991
Equipment and vehicles	<u>7,029,900</u>	<u>570,989</u>	<u>(39,472)</u>	<u>7,561,417</u>
Total accumulated depreciation	<u>65,594,518</u>	<u>2,933,821</u>	<u>(39,472)</u>	<u>68,488,867</u>
Less Accumulated Amortization:				
Leased equipment	18,520	9,260	-	27,780
Subscriptions	<u>11,190</u>	<u>11,190</u>	<u>-</u>	<u>22,380</u>
Total accumulated amortization	<u>29,710</u>	<u>20,450</u>	<u>-</u>	<u>50,160</u>
Total depreciable capital assets, net	<u>45,309,068</u>			<u>43,091,037</u>
Water and Sewer Fund capital assets, net	<u>\$ 47,393,875</u>			<u>\$ 52,439,899</u>

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Beginning Balances	Additions	Deletions	Ending Balances
Business-Type Activities:				
Electric Fund:				
Non-Depreciable Capital Assets:				
Land	\$ 145,963	\$ -	\$ -	\$ 145,963
Construction in progress	<u>4,628,697</u>	<u>256,677</u>	<u>-</u>	<u>4,885,374</u>
Total non-depreciable capital assets	<u>4,774,660</u>	<u>256,677</u>	<u>-</u>	<u>5,031,337</u>
Depreciable Capital Assets:				
Buildings	6,957,740	-	-	6,957,740
Distribution lines	18,542,509	-	-	18,542,509
Furniture and fixtures	191,983	-	-	191,983
Equipment and vehicles	<u>3,866,060</u>	<u>538,801</u>	<u>(177,106)</u>	<u>4,227,755</u>
Total depreciable capital assets	<u>29,558,292</u>	<u>538,801</u>	<u>(177,106)</u>	<u>29,919,987</u>
Right-to-Use Assets:				
Leased equipment	14,250	-	-	14,250
Subscriptions	<u>24,033</u>	<u>-</u>	<u>-</u>	<u>24,033</u>
Total right-to-use assets	<u>38,283</u>	<u>-</u>	<u>-</u>	<u>38,283</u>
Less Accumulated Depreciation:				
Buildings	3,569,432	252,619	-	3,822,051
Distribution lines	15,668,447	158,822	-	15,827,269
Furniture and fixtures	191,983	-	-	191,983
Equipment and vehicles	<u>2,645,027</u>	<u>392,505</u>	<u>(175,760)</u>	<u>2,861,772</u>
Total accumulated depreciation	<u>22,074,889</u>	<u>803,946</u>	<u>(175,760)</u>	<u>22,703,075</u>
Less Accumulated Amortization:				
Leased equipment	8,712	4,356	-	13,068
Subscriptions	<u>8,739</u>	<u>8,739</u>	<u>-</u>	<u>17,478</u>
Total accumulated amortization	<u>17,451</u>	<u>13,095</u>	<u>-</u>	<u>30,546</u>
Total depreciable capital assets, net	<u>7,504,235</u>			<u>7,224,649</u>
Electric Fund capital assets, net	<u>\$ 12,278,895</u>			<u>\$ 12,255,986</u>

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Business-Type Activities:				
Landfill Fund:				
Non-Depreciable Capital Assets:				
Land	\$ 581,781	\$ -	\$ -	\$ 581,781
Depreciable Capital Assets:				
Buildings	2,361,547	-	(49,325)	2,312,222
Landfill cell construction	9,131,547	-	-	9,131,547
Furniture and fixtures	53,034	-	-	53,034
Equipment and vehicles	6,949,604	501,974	(25,768)	7,425,810
Total depreciable capital assets	<u>18,495,732</u>	<u>501,974</u>	<u>(75,093)</u>	<u>18,922,613</u>
Right-to-Use Assets:				
Leased equipment	4,177	-	-	4,177
Subscriptions	4,005	-	-	4,005
Total right-to-use assets	<u>8,182</u>	<u>-</u>	<u>-</u>	<u>8,182</u>
Less Accumulated Depreciation:				
Buildings	531,172	58,588	(42,748)	547,012
Landfill cell construction	6,962,838	54,279	-	7,017,117
Furniture and fixtures	21,212	5,303	-	26,515
Equipment and vehicles	4,669,864	331,416	(16,833)	4,984,447
Total accumulated depreciation	<u>12,185,086</u>	<u>449,586</u>	<u>(59,581)</u>	<u>12,575,091</u>
Less Accumulated Amortization:				
Leased equipment	2,532	1,266	-	3,798
Subscriptions	1,457	1,457	-	2,914
Total accumulated amortization	<u>3,989</u>	<u>2,723</u>	<u>-</u>	<u>6,712</u>
Total depreciable capital assets, net	<u>6,314,839</u>			<u>6,348,992</u>
Landfill Fund capital assets, net	<u>\$ 6,896,620</u>			<u>\$ 6,930,773</u>

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Business-Type Activities:				
Department of Public Housing :				
Non-Depreciable Capital Assets:				
Land	\$ 163,505	\$ -	\$ -	\$ 163,505
Depreciable Capital Assets:				
Buildings	13,395,068	-	-	13,395,068
Improvements	1,280,619	-	-	1,280,619
Furniture and fixtures	32,487	-	-	32,487
Equipment	<u>800,625</u>	<u>-</u>	<u>-</u>	<u>800,625</u>
Total depreciable capital assets	<u>15,508,799</u>	<u>-</u>	<u>-</u>	<u>15,508,799</u>
Right-to-Use Assets:				
Leased equipment	5,921	-	-	5,921
Subscriptions	<u>4,005</u>	<u>-</u>	<u>-</u>	<u>4,005</u>
Total right-to-use assets	<u>9,926</u>	<u>-</u>	<u>-</u>	<u>9,926</u>
Less Accumulated Depreciation:				
Buildings	8,815,591	541,059	-	9,356,650
Improvements	781,444	56,752	-	838,196
Furniture and fixtures	32,487	-	-	32,487
Equipment	<u>610,526</u>	<u>34,651</u>	<u>-</u>	<u>645,177</u>
Total accumulated depreciation	<u>10,240,048</u>	<u>632,462</u>	<u>-</u>	<u>10,872,510</u>
Less Accumulated Amortization:				
Leased equipment	2,888	1,522	-	4,410
Subscriptions	<u>1,457</u>	<u>1,457</u>	<u>-</u>	<u>2,914</u>
Total accumulated amortization	<u>4,345</u>	<u>2,979</u>	<u>-</u>	<u>7,324</u>
Total depreciable capital assets, net	<u>5,274,332</u>			<u>4,638,891</u>
Department of public housing capital assets, net	<u>\$ 5,437,837</u>			<u>\$ 4,802,396</u>
Total business-type capital assets	<u>\$ 72,007,227</u>			<u>\$ 76,429,054</u>

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Construction Commitments

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

Project	Spent-to-Date	Remaining Commitment
Albemarle Business Center Park	\$ 6,133,331	\$ 353,026

Discretely Presented Component Unit

Capital asset activity for the City of Albemarle ABC Board for the ended June 30, 2024, was as follows:

	Beginning Balances	Additions	Deletions	Ending Balances
Non-Depreciable Capital Assets:				
Land	\$ 222,167	\$ -	\$ -	\$ 222,167
Depreciable Capital Assets:				
Buildings	1,080,831	180,511	-	1,261,342
Equipment	312,426	3,740	-	316,166
Total depreciable capital assets	1,393,257	184,251	-	1,577,508
Less Accumulated Depreciation:				
Buildings	499,598	42,127	-	541,725
Equipment	253,859	20,265	-	274,124
Total accumulated depreciation	753,457	62,392	-	815,849
Total ABC depreciable capital assets, net	639,800			761,659
ABC capital assets, net	\$ 861,967			\$ 983,826

Net Investment in Capital Assets

Net investment in capital assets is comprised of the following:

	Governmental Activities	Business-Type Activities
Capital assets & right to use assets	\$ 35,359,873	\$ 76,429,054
Less: Long-term debt	(5,351,497)	(26,277,493)
Add: Unexpended debt proceeds	9,263	353,319
Net investment in capital assets	\$ 30,017,639	\$ 50,504,880

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

B. Liabilities

Payables

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

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:			
General	\$ 1,404,013	\$ 275,073	\$ 1,679,086
Other governmental	608,488	-	608,488
Total governmental activities	<u>\$ 2,012,501</u>	<u>\$ 275,073</u>	<u>\$ 2,287,574</u>
Business-Type Activities:			
Water and Sewer Fund	\$ 885,709	\$ 88,773	\$ 974,482
Electric Fund	2,615,477	65,849	2,681,326
Landfill Fund	87,347	23,278	110,625
Department of public housing	61,582	9,922	71,504
Total business-type activities	<u>\$ 3,650,115</u>	<u>\$ 187,822</u>	<u>\$ 3,837,937</u>

Pension Plan and Post-Employment Obligations

Local Governmental Employees' Retirement System

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

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City 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's contractually required contribution rate for the year ended June 30, 2024, was 14.10% of compensation for law enforcement officers and 12.85% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Albemarle were \$2,194,083 for the year ended June 30, 2024.

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

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

At June 30, 2024, the City reported a liability of \$12,430,342 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024, the City's proportion was 0.18768% (measured as of June 30, 2023), which was an increase of 0.00369% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the City recognized pension expense of \$3,523,099. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,385,108	\$ 29,819
Changes of assumptions	528,218	-
Net difference between projected and actual earnings on pension plan investments	3,326,904	-
Changes in proportion and differences between City contributions and proportionate share of contributions	93,566	33,576
City contributions subsequent to the measurement date	2,194,083	-
Total	\$ 7,527,879	\$ 63,395

\$2,194,083 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 1,916,642
2026	975,021
2027	2,238,059
2028	140,679
2029	-
Thereafter	-
Total	\$ 5,270,401

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

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

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

The actuarial assumptions and methods used in the December 31, 2022, actuarial valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

Future and ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis.

These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	<u>6.0%</u>	2.7%
Total	<u>100.0%</u>	

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

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits payments to determine the total pension liability.

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	<u>\$ 21,535,079</u>	<u>\$ 12,430,342</u>	<u>\$ 4,934,469</u>

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

Law Enforcement Officers Special Separation Allowance

Plan Description. The City of Albemarle, North Carolina 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. The plan does not issue a separate financial report.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Inactive members currently receiving benefits	13
Active members	<u>44</u>
Total	<u><u>57</u></u>

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 meet the criteria, which are outlined in GASB Statement 73.

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

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2022, valuation was based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ended December 31, 2019.

Mortality Assumptions: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Death Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Contributions. The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$196,606 as benefits came due for the reporting period.

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

At June 30, 2024, the City reported a total pension liability of \$2,063,503. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022, actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing standard actuarial techniques incorporating the actuarial assumptions. For the year ended June 30, 2024, the City recognized pension expense of \$244,054.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 207,648	\$ 138,302
Changes of assumptions and other inputs	169,271	229,046
City benefit payments and administrative expenses subsequent to the measurement date	88,301	-
Total	\$ 465,220	\$ 367,348

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

The City paid \$88,301 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions, which will be recognized as a decrease of the total pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 83,129
2026	(10,277)
2027	(69,711)
2028	(9,727)
2029	16,157
Thereafter	-
Total	\$ 9,571

Sensitivity of the City's Total Pension Liability to Changes in the Discount Rate. The following presents the City's total pension liability calculated using the discount rate of 4.00 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	<u>\$ 2,231,186</u>	<u>\$ 2,063,503</u>	<u>\$ 1,911,568</u>

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

	2024
Beginning balance	\$ 1,947,029
Service cost	72,968
Interest on the total pension liability	79,680
Differences between expected and actual experience in the measurement of the total pension liability	114,878
Changes of assumptions or other inputs	45,554
Benefit payments	<u>(196,606)</u>
Ending balance of the total pension liability	<u>\$ 2,063,503</u>

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent at December 31, 2022 (measurement date) to 4.00 percent at December 31, 2023 (measurement date).

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.

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

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

	LGERS	LEOSSA	Total
Pension expense	\$ 3,523,099	\$ 244,054	\$ 3,767,153
Pension liability	12,430,342	2,063,503	14,493,845
Proportionate share of the net pension liability	0.18768%	n/a	-

Deferred of Outflows of Resources:

Differences between expected and actual experience	\$ 1,385,108	\$ 207,648	\$ 1,592,756
Changes of assumptions	528,218	169,271	697,489
Net difference between projected and actual earnings on plan investments	3,326,904	-	3,326,904
Changes in proportion and differences between contributions and proportionate share of contributions	93,566	-	93,566
City contributions (LGERS) and benefit payments and administrative costs (LEOSSA) paid subsequent to the measurement date	2,194,083	88,301	2,282,384
Total	<u>\$ 7,527,879</u>	<u>\$ 465,220</u>	<u>\$ 7,993,099</u>

Deferred of Inflows of Resources:

Differences between expected and actual experience	\$ 29,819	\$ 138,302	\$ 168,121
Changes of assumptions	-	229,046	229,046
Changes in proportion and differences between contributions and proportionate share of contributions	33,576	-	33,576
Total	<u>\$ 63,395</u>	<u>\$ 367,348</u>	<u>\$ 430,743</u>

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for law enforcement officers is included in the Annual Comprehensive Financial Report for the state of North Carolina. The state's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, law enforcement officers may make voluntary contributions to the plan. The City made contributions of \$135,094 for the reporting year. No amounts were forfeited.

Supplemental Retirement Income Plan for City Employees (Non-Law Enforcement Employees)

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 all active full-time employees of the City that are non-law enforcement officers. Article G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. The City does not make contributions for non-law enforcement employees. The City's employees may make voluntary contributions to the plan. Contribution requirements are established and may be amended by the City Council.

Other Post-Employment Benefits

Healthcare Benefits

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

Benefits Provided. As of July 1, 1984, this plan provides post-employment healthcare benefits to retirees of the City who retire before the age of 65, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the City. The City has elected to partially pay the future overall cost of coverage for employees' benefits through private insurers and employees have the option

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

of purchasing dependent coverage at the City’s group rates. Retirees who qualify for coverage receive the same benefits as active employees. City employees who retire before the age of 65 under the provisions set forth under the North Carolina Local Government Employees’ Retirement System with five years of service with the City, may continue coverage in the City’s group health plan until they reach age 65. Retired elected officials may be eligible for retiree coverage after completion of twenty (20) years of continuous service to the City. Premiums must be paid in full by the retiree. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare supplemental plan after qualifying for Medicare. The city council may amend the benefit provisions. A separate report was not issued for the plan.

The City will pay the following percentages cost of post-retirement healthcare benefits:

Years of Service With the City at Retirement	City Contribution
25 or more	100%
20 - 24	75%
15 - 19	50%
10 - 14	25%
5 - 9	0%

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

Retirees and dependents receiving benefits	46
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	285
Total	331

Total OPEB Liability

The City’s total OPEB liability of \$13,137,697 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation:	
General employees	3.25 to 8.41 percent
Firefighters	3.25 to 8.15 percent
Law enforcement officers	3.25 to 7.90 percent
Municipal Bond Index Rate:	
Prior measurement date	3.54 percent
Measurement date	3.65 percent
Healthcare cost trend rates:	
Pre-Medicare medical and prescription drug	7.00 percent for 2023 decreasing to an ultimate rate of 4.50 percent by 2033

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	<u>\$ 13,440,361</u>
Changes for the year:	
Service cost	517,784
Interest on the pension liability	487,602
Differences between expected and actual experience	(1,241,256)
Changes of assumptions or other inputs	304,574
Benefit payments	<u>(371,368)</u>
Net changes	<u>(302,664)</u>
Balance at June 30, 2024	<u>\$ 13,137,697</u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.54% to 3.65%.

The City selected a Municipal Bond Index Rate equal to the Bond Buyer 20-Year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the total OPEB liability.

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

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023, valuation were based on a review of recent plan experience done concurrently with the June 30, 2023, valuation.

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

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 14,485,852	\$ 13,137,697	\$ 11,941,396

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

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 11,722,254	\$ 13,137,697	\$ 14,814,804

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$857,534. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 883,893	\$ 1,600,552
Changes of assumptions and other inputs	1,560,564	1,465,309
City benefit payments and administrative expenses subsequent to the measurement date	622,735	-
Total	\$ 3,067,192	\$ 3,065,861

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$622,735 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
June 30	Amount
2025	\$ (112,806)
2026	(85,036)
2027	23,822
2028	(28,594)
2029	(275,908)
Thereafter	(142,882)
Total	<u>\$ (621,404)</u>

Other Employment Benefits

The City has also 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 month's salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to pension plan in current fiscal year:		
LGERS	\$ 2,194,083	\$ -
LEOSSA	88,301	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB):		
OPEB	622,735	-
Differences between expected and actual experience:		
LGERS	1,385,108	29,819
LEOSSA	207,648	138,302
OPEB	883,893	1,600,552
Changes in assumptions:		
LGERS	528,218	-
LEOSSA	169,271	229,046
OPEB	1,560,564	1,465,309
Net difference between projected and actual earnings on plan investments:		
LGERS	3,326,904	-
Changes in proportion and differences between employer contributions and proportionate share:		
LGERS	93,566	33,576
Prepaid taxes	-	2,118
Taxes receivable (General Fund)	-	141,559
License fees receivable (General Fund)	-	2,571
Total	\$ 11,060,291	\$ 3,642,852

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 \$5 million per occurrence, property coverage up to the total insured values of the property policy, and workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, and excess loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the City upon request.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Effective July 1, 2017, the City established an internal service fund to account for its self-insured plan to provide health benefits. In this self-insured plan, claims are administered and paid directly from the plan by Medcost Benefit Services LLC. Specific stop loss is set at \$135,000 per individual health insurance claim with an unlimited lifetime maximum. Aggregate stop-loss is set at the level of 125% with a maximum aggregate attachment point of \$3,577,815 and a contract period maximum of \$1,000,000. Claim reserves are established at the end of the Plan year based on the City’s and third-party administrator’s analysis of claims submission, processing and payment.

Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	2024	2023
Unpaid claims, beginning	\$ 443,328	\$ 6,677
Incurred claims and premiums	4,362,922	3,646,881
Claims and premiums paid	(4,327,432)	(3,210,230)
Balance, end of year	\$ 478,818	\$ 443,328

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

The ABC Board 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 ABC Board has insurance coverage for property, general liability, workers' compensation, employee health coverage and liquor legal liability coverage. 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. In accordance with G.S. 18B-700(i), each Board member is bonded in the amount of \$50,000, secured by a corporate surety.

The City does not carry flood insurance as none of their buildings are in flood prone areas.

In accordance with G.S. 159-29, the City’s employees that have access to \$100 or more at any given time of the City’s funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for \$1,000,000. The Deputy Finance Officer and Tax Collector are each individually bonded for \$150,000, \$50,000, and \$100,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Long-Term Obligations

Leases

The City has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On July 1, 2021, the City entered into a 182-month lease as lessee for the use of 219 E. North Street. An initial lease liability was recorded in the amount of \$156,422. As of June 30, 2024, the value of the lease liability is \$129,294. The City is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 2.1291%. The value of the right to use asset as of June 30, 2024 is \$156,422 with accumulated amortization of \$30,833. The City has 1 extension option(s), each for 120-months.

On July 1, 2021, the City entered into a 45-month lease as lessee for the use of Pitney Bowes - City Hall Mailroom. An initial lease liability was recorded in the amount of \$14,584. As of June 30, 2024, the value of the lease liability is \$2,955. The City is required to make quarterly fixed payments of \$990. The lease has an interest rate of 1.0112%. The value of the right-to-use asset as of June 30, 2024 is \$14,584 with accumulated amortization of \$11,530.

On July 1, 2021, the City entered into a 37-month lease as lessee for the use of Sharp Printers. An initial lease liability was recorded in the amount of \$112,345. As of June 30, 2024, the value of the lease liability is \$3,074. The City is required to make monthly fixed payments of \$3,075. The lease has an interest rate of 0.8453%. The value of the right-to-use asset as of June 30, 2024 is \$112,345 with accumulated amortization of \$109,309.

On September 29, 2021, the City entered into a 60-month lease as lessee for the use of Pitney Bowes - Public Housing. An initial lease liability was recorded in the amount of \$3,202. As of June 30, 2024, the value of the lease liability is \$1,301. The City is required to make quarterly fixed payments of \$165. The lease has an interest rate of 1.2720%. The value of the right-to-use asset as of June 30, 2024 is \$3,202 with accumulated amortization of \$1,765.

On July 1, 2021, the City entered into a 153-month lease as lessee for the use of EH Kings Heirs, LLC - Parcel Land 1 & 2. An initial lease liability was recorded in the amount of \$11,920. As of June 30, 2024, the value of the lease liability is \$9,362. The City is required to make monthly fixed payments of \$88. The lease has an interest rate of 1.9663%. The value of the right-to-use asset as of June 30, 2024 is \$11,920 with accumulated amortization of \$2,805.

On July 1, 2022, the City entered into a 60-month lease as lessee for the use of Axon. An initial lease liability was recorded in the amount of \$422,202. As of June 30, 2024, the value of the lease liability is \$253,164. The City is required to make annual fixed payments of \$89,619. The lease has an interest rate of 3.0680%. The value of the right-to-use asset as of June 30, 2024 is \$422,202 with accumulated amortization of \$168,881.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 94,926	\$ 10,611	\$ 3,816	\$ 25
2026	94,799	7,876	655	5
2027	97,611	5,065	-	-
2028	10,887	2,169	-	-
2029	11,119	1,937	-	-
2030-2034	58,996	6,020	-	-
2035-2038	26,341	659	-	-
Total	<u>\$ 394,679</u>	<u>\$ 34,337</u>	<u>\$ 4,471</u>	<u>\$ 30</u>

Subscriptions

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

On July 1, 2022, the City entered into a 36-month subscription for the use of Granicus. An initial subscription liability was recorded in the amount of \$51,130. As of June 30, 2024, the value of the subscription liability is \$17,893. The City is required to make annual fixed payments of \$16,692. The subscription has an interest rate of 2.8487%. The value of the right-to-use asset as of June 30, 2024 is \$51,130 with accumulated amortization of \$34,087.

On July 1, 2022, the City entered into a 36-month subscription for the use of Office 365 Backup. An initial subscription liability was recorded in the amount of \$15,405. As of June 30, 2024, the value of the subscription liability is \$5,134. The City is required to make annual fixed payments of \$5,280. The subscription has an interest rate of 2.8487%. The value of the right-to-use asset as of June 30, 2024 is \$15,405 with accumulated amortization of \$10,270.

On July 1, 2022, the City entered into a 36-month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$19,537. As of June 30, 2024, the value of the subscription liability is \$9,480. The City is required to make annual fixed payments of \$4,000. The subscription has an interest rate of 2.8487%. The value of the right-to-use asset as of June 30, 2024 is \$19,537 with accumulated amortization of \$13,025.

On July 1, 2022, the City entered into a 24-month subscription for the use of GIS WebTech LLC. An initial subscription liability was recorded in the amount of \$11,426. As of June 30, 2024, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$5,800. The subscription has an interest rate of 2.6543%. The value of the right-to-use asset as of June 30, 2024 is \$11,426 with accumulated amortization of \$10,983.

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

On July 1, 2022, the City entered into a 33-month subscription for the use of NEOGOV. An initial subscription liability was recorded in the amount of \$80,109. As of June 30, 2024, the value of the subscription liability is \$27,262. The City is required to make annual fixed payments of \$28,039. The subscription has an interest rate of 2.8487%. The value of the right to use asset as of June 30, 2024 is \$80,109 with accumulated amortization of \$58,263. The City has 1 extension option, each for 12-months. The City had a termination period of 1 month as of the subscription commencement. The Vendor had a termination period of 1-month as of the subscription commencement.

The future minimum subscription obligations and the net present value of the minimum subscription payments as of June 30, 2024, were as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 36,360	\$ 1,036	\$ 23,409	\$ 667

Installment Purchases

	<u>Serviced by</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Installment financing contract with a bank for the new police headquarters facility; payable in quarterly installments of \$53,000 through July 2039, plus interest at 3.55%, secured by building.	\$ 3,236,000	\$ -
Installment financing contract with a bank for land; payable in quarterly installments of \$31,780 through April 2032, plus interest at 3.73% secured by Deed of Trust on land.	1,016,940	-
2010 Clean Water State Revolving Loan through the N.C. Department of Environment and Natural Resources; payable in annual installments of \$143,969 through May 2023, plus semi-annual interest payments at 2.22%.	-	1,295,729
Installment financing contract with a bank for the CKA Water Line Extension Project; payable in quarterly installments of \$80,000 through September 2033, plus interest at 3.59%, secured by land and building.	-	2,960,000
2014 Clean Water Revolving Loan through N.C. Department of Environment and Natural Resources the Water/Sewer Inflows & Infiltration System; payable in annual installments of \$169,430, plus semi-annual interest payments at 2.0%, secured by equipment.	-	1,863,731

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Serviced by	
	Governmental Activities	Business-Type Activities
2015 Sewer Revolving Loan from the Water Pollution Control Revolving Fund (WPCRF) for the Waste Water Treatment Headworks Project, payable in twenty annual installment of \$158,282 beginning November 2016 through May 2036, plus semi-annual interest payments at 2%.	-	1,789,363
Installment financing contract with bank for purchase of public works equipment; payable in monthly installments of \$7,871 through February 2025, including interest of 2.19%, secured by equipment.	62,455	-
2015 Water Revolving Loan from the Drinking Water State Revolving Fund (SRF) for the US Highway 52 Water Treatment Plant Rehabilitation, payable in twenty annual installments of \$552,240 beginning May 2018. The loan is non-interest-bearing.	-	7,852,909
2017 Sewer Revolving Loan from the Water Pollution Control Revolving Fund (WPCRF) for the Leachate Upgrade Landfill Project, payable in twenty annual installments ranging from \$23,997 to \$121,722 beginning May 2019 through May 2038, plus semi-annual interest payments at 1.84%.	-	1,248,532
2020 Clean Water Revolving Loan through N.C. Department of Environment and Natural Resources for the Sanitary Sewer Rehabilitation Phase 2 & WWTP Rehabilitation project; payable in annual installments of \$289,689 beginning May 2021. The loan is non-interest bearing.	-	4,548,142
Clean Water Revolving Loan through N.C. Department of Environment and Natural Resources for the Sanitary Sewer Rehabilitation Phase 3 project; payable in semi-annual principal payments of \$385,593 through May 2024, including interest of 1.38%. This loan is in the draw down period at June 30, 2024.	-	4,098,208
Installment financing contract with bank for purchase of various vehicles and equipment; payable in monthly installments of \$403,491 through June 2027, including interest of 1.75%, secured by equipment.	605,063	564,247
Installment financing contract for purchase of vehicles; payable in monthly installments \$1,451 through January 2026, including interest of 1.041%, secured by vehicles.	-	28,752
Total installment purchases	\$ 4,920,458	\$ 26,249,613

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The City's outstanding note from direct placements related to governmental activities of \$3,236,000 is secured by a deed of trust for the real estate. The loan agreement denotes certain events of default and upon the occurrence: A) the entire amount of the principal component and unpaid interest is declared immediately due and payable; B) exercise all remedies available at law or in equity under the Deed of Trust, including foreclosure and sale of the mortgaged property and apply the proceeds of any such sale or other disposition after deducting all costs and expenses including court costs and other disposition costs toward the principal and accrued interest of the balance of the installment purchase; C) proceed by appropriate court action to enforce the City's performance of applicable covenants.

The City's outstanding note from direct placements related to governmental activities of \$1,016,940 is secured by a deed of trust for the real estate. The loan agreement denotes certain events of default and upon the occurrence: A) the entire amount of the principal component and unpaid interest is declared immediately due and payable; B) exercise all remedies available at law or in equity under the Deed of Trust, including foreclosure and sale of the mortgaged property and apply the proceeds of any such sale or other disposition after deducting all costs and expenses including court costs and other disposition costs toward the principal and accrued interest of the balance of the installment purchase.

The City's outstanding note from direct borrowings related to business-type activities of \$1,295,729 contain a provision that in an event of default, may require the unit to prepay the note in full or may result in the state withholding any other monies due to the unit of local government. Notes are secured and payable solely from system revenues or other available funds, and not secured by a pledge of full faith and credit.

The City's outstanding note from direct placements related to business-type activities of \$2,960,000 is secured by a UCC security agreement for the real estate. The loan agreement denotes certain events of default and upon the occurrence: A) the entire amount of the principal component and unpaid interest is declared immediately due and payable; B) proceed by appropriate court action to enforce the City's performance of applicable covenants; C) all remedies granted under the UCC and may proceed to execute upon the security property.

The City's outstanding note from direct borrowings related to business-type activities of \$1,863,731 contain a provision that in an event of default, may require the unit to prepay the note in full or may result in the state withholding any other monies due to the unit of local government. Notes are secured and payable solely from system revenues or other available funds, and not secured by a pledge of full faith and credit.

The City's outstanding note from direct borrowings related to business-type activities of \$1,789,363 contain a provision that in an event of default, may require the unit to prepay the note in full or may result in the state withholding any other monies due to the unit of local government. Notes are secured and payable solely from system revenues or other available funds, and not secured by a pledge of full faith and credit.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The City's outstanding note from direct placements related to governmental activities of \$62,455 is secured by a security interest in the equipment. The loan agreement denotes certain events of default and upon the occurrence of any event of default the bank would: A) declare the entire amount of the principal component and unpaid interest immediately due and payable; B) proceed by appropriate court action to enforce the City's performance of applicable covenants; C) exercise all the right and remedies at law or in equity; D) terminate the contract and give notice to the City to surrender possession of the equipment.

The City's outstanding note from direct borrowings related to business-type activities of \$7,852,909 contain a provision that in an event of default, may require the unit to prepay the note in full or may result in the state withholding any other monies due to the unit of local government. Notes are secured and payable solely from system revenues or other available funds, and not secured by a pledge of full faith and credit.

The City's outstanding note from direct borrowings related to business-type activities of \$1,248,532 contain a provision that in an event of default, may require the unit to prepay the note in full or may result in the state withholding any other monies due to the unit of local government. Notes are secured and payable solely from system revenues or other available funds, and not secured by a pledge of full faith and credit.

The City's outstanding note from direct borrowings related to business-type activities of \$4,548,142 contain a provision that in an event of default, may require the unit to prepay the note in full or may result in the state withholding any other monies due to the unit of local government. Notes are secured and payable solely from system revenues or other available funds, and not secured by a pledge of full faith and credit.

The City's outstanding note from direct borrowings related to business-type activities of \$4,098,208 contain a provision that in an event of default, may require the unit to prepay the note in full or may result in the state withholding any other monies due to the unit of local government. Notes are secured and payable solely from system revenues or other available funds, and not secured by a pledge of full faith and credit.

The City's outstanding note from direct placements related to governmental activities of \$1,169,310 is secured by a security interest in the equipment. The loan agreement denotes certain events of default and upon the occurrence of any event of default the bank would repossess the equipment.

The City's outstanding note from direct placements related to governmental activities of \$28,752 is secured by a security interest in the equipment. The loan agreement denotes certain events of default and upon the occurrence of any event of default Enterprise would repossess the equipment.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Installment Purchases

Annual debt service payments of the direct borrowing and direct placement installment purchase contracts as of June 30, 2024, are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 602,774	\$ 159,259	\$ 2,304,489	\$ 284,379
2026	540,788	142,956	2,687,686	259,458
2027	544,317	127,158	2,679,416	222,753
2028	339,196	111,300	2,488,061	186,036
2029	339,196	99,032	2,488,061	152,666
2030-2034	1,441,187	319,450	8,828,278	347,598
2035-2039	1,060,000	108,186	4,489,363	28,745
2040	53,000	470	284,259	-
Total	<u>\$ 4,920,458</u>	<u>\$ 1,067,811</u>	<u>\$ 26,249,613</u>	<u>\$ 1,481,635</u>

At June 30, 2024, the City had a legal debt margin of \$107,579,163.

Changes in Long-Term Liabilities

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2024:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Governmental Activities:					
Direct placements and borrowings - installment purchases	\$ 5,550,358	\$ -	\$ (629,900)	\$ 4,920,458	\$ 602,774
Lease liabilities	508,807	-	(114,128)	394,679	94,926
Subscription liabilities	75,248	-	(38,888)	36,360	36,360
Compensated absences	849,953	766,276	(654,393)	961,836	611,143
Total pension liability - LEO	1,947,029	116,474	-	2,063,503	197,527
Net pension liability - LGERS	6,206,597	1,290,492	-	7,497,089	-
Total OPEB liability	8,069,809	-	(190,466)	7,879,343	282,124
Governmental activities long-term liabilities	<u>\$ 23,207,801</u>	<u>\$ 2,173,242</u>	<u>\$ (1,627,775)</u>	<u>\$ 23,753,268</u>	<u>\$ 1,824,854</u>

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Water and Sewer Fund:					
Direct placement -					
installment purchases	\$ 21,995,333	\$ 4,098,208	\$ (1,656,708)	\$ 24,436,833	\$ 2,030,479
Lease liabilities	10,909	-	(9,339)	1,570	1,570
Subscription liabilities	22,765	-	(10,261)	12,504	12,504
Compensated absences	300,308	193,884	(192,365)	301,827	154,514
Net pension liability - LGERS	2,151,140	401,523	-	2,552,663	-
Total OPEB liability	<u>2,746,453</u>	<u>-</u>	<u>(59,262)</u>	<u>2,687,191</u>	<u>41,144</u>
Total Water and Sewer Fund	<u>27,226,908</u>	<u>4,693,615</u>	<u>(1,927,935)</u>	<u>29,992,588</u>	<u>2,240,211</u>
Business-Type Activities:					
Electric Fund:					
Direct placement -					
installment purchases	12,000	-	(12,000)	-	-
Lease liabilities	5,555	-	(4,399)	1,156	1,156
Subscription liabilities	16,131	-	(7,952)	8,179	8,179
Compensated absences	179,628	205,196	(167,229)	217,595	179,027
Net pension liability - LGERS	1,187,065	229,471	-	1,416,536	-
Total OPEB liability	<u>1,547,330</u>	<u>-</u>	<u>(33,868)</u>	<u>1,513,462</u>	<u>77,461</u>
Total Electric Fund	<u>2,947,709</u>	<u>434,667</u>	<u>(225,448)</u>	<u>3,156,928</u>	<u>265,823</u>
Business-Type Activities:					
Landfill Fund:					
Direct placements and borrowings -					
installment purchases	2,083,611	-	(270,831)	1,812,780	274,010
Lease liabilities	1,649	-	(1,279)	370	370
Subscription liabilities	2,688	-	(1,325)	1,363	1,363
Compensated absences	75,508	45,757	(30,916)	90,349	26,986
Accrued landfill closure and post-closure costs	8,412,371	315,914	-	8,728,285	-
Net pension liability - LGERS	470,432	93,306	-	563,738	-
Total OPEB liability	<u>612,415</u>	<u>-</u>	<u>(13,771)</u>	<u>598,644</u>	<u>7,735</u>
Total Landfill Fund	<u>11,658,674</u>	<u>454,977</u>	<u>(318,122)</u>	<u>11,795,529</u>	<u>310,464</u>

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Business-Type Activities:					
Public Housing Fund:					
Lease liabilities	2,902	-	(1,527)	1,375	720
Subscription liabilities	2,688	-	(1,325)	1,363	1,363
Compensated absences	28,658	20,197	(21,111)	27,744	25,773
Net pension liability - LGERS	364,429	35,887	-	400,316	-
Total OPEB liability	464,354	-	(5,297)	459,057	475
Total Public Housing Fund	863,031	56,084	(29,260)	889,855	28,331
Total Business-Type Activities:					
Direct placements and borrowings -					
installment purchases	24,090,944	4,098,208	(1,939,539)	26,249,613	2,304,489
Lease liabilities	21,015	-	(16,544)	4,471	3,816
Subscription liabilities	44,272	-	(20,863)	23,409	23,409
Compensated absences	584,102	465,034	(411,621)	637,515	386,300
Accrued landfill closure and					
post-closure costs	8,412,371	315,914	-	8,728,285	-
Net pension liability - LGERS	4,173,066	760,187	-	4,933,253	-
Total OPEB liability	5,370,552	-	(112,198)	5,258,354	126,815
Total business-type activity					
long-term liabilities	\$ 42,696,322	\$ 5,639,343	\$ (2,500,765)	\$ 45,834,900	\$ 2,844,829

Compensated absences, net pension obligations, and other post-employment benefits for governmental activities have typically been liquidated in the General Fund.

Interfund Balances and Activity

The composition of interfund balances as of June 30, 2024, is as follows:

Receivable Fund	Payable Fund	Amount
Electric Fund (1)	General Fund	\$ 1,652,772
General Fund (2)	Water and Sewer Fund	(110,044)
General Fund (2)	Electric Fund	(63,226)
General Fund (2)	Landfill Fund	(22,315)
General Fund (2)	Public Housing Fund	(23,190)
General Fund (3)	Stormwater Special Revenue Fund	(155,113)
General Fund (3)	Business Center Special Revenue Fund	(637,082)
Total		\$ 641,802

- 1) *Interfund loan* - On September 7, 2021, the General Fund borrowed a total of \$1,916,258 from the Electric Funds for the Albemarle Business Center Project. The terms of the arrangement require the General Fund to repay the Electric Funds over a term of 20 years with an interest rate of 1.5%. At June 30, 2024, the current portion is \$95,813.

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

- 2) Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
- 3) Time lag between the dates that payments between funds are made.

Transfers to/from other funds for the year ended June 30, 2024, consist of the following:

<u>Purpose</u>	<u>Amount</u>
From the Water and Sewer Fund to the General Fund for payment in lieu of taxes	\$ 303,115
From the Water and Sewer Fund to the Water and Sewer Capital Projects Fund for capital outlay activities	161,097
From the Electric Fund to the General Fund for payment in lieu of taxes	968,000
From the Landfill Fund to the General Fund for payment in lieu of taxes	31,710
From the Landfill Fund Capital Projects Fund to the Landfill Fund to close out completed projects	34,846
From the Department of Public Housing Capital Fund to Department to the Public Housing Conventional Fund for operating activities	30,719
From the the Health Insurance Internal to the General Fund for annual fire physicals	35,000
	<u>\$ 1,564,487</u>

<u>Purpose</u>	<u>Amount</u>
From the General Fund to the King Alleyway Renovation Project Fund for capital outlay activities	\$ 250,000
From the General Fund to the Electric Fund for street lights	25,000
From the Parks and Recreation Sports Complex Project Fund to the General Fund to close out completed project fund	623,195
From the General Capital Projects Fund to the General Fund to close out completed projects	9
From the Parks and Recreation Roosevelt Ingram Park Erosion Control Fund to the General Fund to close out completed project fund	54,596
From the American Rescue Plan Fund to the General Fund for grant expenditures	1,522,587
From the American Rescue Plan Fund to the General Fund to close out completed fund	237,837
From the American Rescue Plan Fund to the Water and Sewer Fund for grant expenditures	112,144
	<u>\$ 2,825,368</u>

Transfers from the General Fund are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided for matching funds for various grant programs.

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3. Jointly Governed Organizations

North Carolina Municipal Power Agency Number 1

The City, in conjunction with 18 other local governments, is a member of the North Carolina City Municipal Power Agency Number 1 (Agency). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The 19 members who receive power from the Agency, have signed power sales agreements to purchase a specified share of the power generated by the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The City's purchases of power for the fiscal year ended June 30, 2024, were \$20,118,238. These expenses are reflected in the Electric Fund's operations. Complete financial statements for the Power Agency can be obtained from the Agency's administrative offices at P.O. Box 29513, Raleigh, North Carolina 27626-0513.

Centralina Council of Governments

The City, in conjunction with nine counties and 64 other municipalities, participates in the Centralina 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.

4. 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.

Claims, Judgements and Contingent Liabilities

The City is a party to various lawsuits and legal actions. In the opinion of management and the City's attorney, the ultimate outcome of these legal matters is not expected to have a material impact on the City's financial position.

5. Closure and Post-Closure Care Costs – City of Albemarle Landfill Facility

The City operates two landfills that are referred to as the "MSW Landfill" and the "C&D Landfill." state and federal laws and regulations require the City to place a final cover on its landfills when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although certain closure and post-closure care costs will be paid only near or after the date each landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8,728,285 reported as landfill closure and post-closure care liability at

CITY OF ALBEMARLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

June 30, 2024, represents a cumulative amount reported to date, based on the use of 70.3% and 42.0% of the total estimated capacity of the MSW landfill and the C&D landfill, respectively. At June 30, 2024, there was an increase in the liability amounting to \$315,914. The City will recognize the remaining estimated cost of closure and post-closure care of \$5.5 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has met the requirements of a local government financial test that is one option under state and federal laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements.

6. Fund Balance

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

Total fund balance - General Fund	\$ 14,608,300
Less:	
Inventories	12,763
Prepays	58,505
Stabilization by state statute	3,434,830
Appropriated fund balance in 2025 budget	1,385,790
Streets - Powell Bill	412,692
Public safety	175,390
Economic development	<u>4,123</u>
Remaining fund balance	<u>\$ 9,124,207</u>

7. Related Organizations

The City of Albemarle ABC Board is a component unit of the City of Albemarle and therefore, are related parties. For the year ended June 30, 2024, the City received \$530,000 for profit distributions and \$23,085 for law enforcement distributions.

8. Subsequent Events

The Town received \$6,125,976 as a one-time credit of NCMPA 1 excess working capital as recommended by the NCMPA1 Rate committee and approved by the NCMPA1 Board of Commissioners and Electricities Board of Directors. This credit was applied to the August 2024 NCMPA1 wholesale power bill.

On September 25, 2024, the City of Albemarle entered into an installment financing of \$1,469,670 payable over 5 years at an interest rate of 4.13%. The debt is for the purchase of vehicles and equipment.

CITY OF ALBEMARLE, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

9. Change to or Within the Financial Reporting Entity

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62*, in the fiscal year ended June 30, 2024.

The Albemarle Business Park Fund was previously presented as a major fund. For the fiscal year ended June 30, 2024, it is considered a nonmajor governmental fund.

The effect of these changes to or within the financial reporting entity are shown in the table below.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Funds	
	Albemarle Business Park Fund	Total Nonmajor Funds
July 1, 2023, as previously reported	\$ 4,036,274	\$ 4,412,494
Change from major to nonmajor fund	(4,036,274)	4,036,274
July 1, 2023, as adjusted or restated	\$ -	\$ 8,448,768

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Governmental Employee's Retirement System
- Schedule Contributions for Local Governmental Employee's Retirement System
- Schedule of Changes in Total Pension Liability for Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll for Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Total OPEB Liability and Related Ratios for Other Post-Employment Benefits

CITY OF ALBEMARLE, NORTH CAROLINA

**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS ***

	Local Governmental Employees' Retirement System				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Albemarle's proportion of the net pension liability (asset) %	0.18768%	0.18399%	0.17966%	0.17831%	0.19082%
Albemarle's proportion of net pension liability (asset) \$	\$ 12,430,342	\$ 10,379,663	\$ 2,755,259	\$ 6,371,776	\$ 5,211,145
Albemarle's covered payroll	\$ 15,753,110	\$ 13,673,908	\$ 12,591,618	\$ 12,196,568	\$ 11,978,543
Albemarle's proportionate share of of net pension liability (asset) as a percentage of it covered payroll	78.91%	75.91%	21.88%	52.24%	43.50%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%

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

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

CITY OF ALBEMARLE, NORTH CAROLINA

**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS ***

	Local Governmental Employees' Retirement System				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Albemarle's proportion of the net pension liability (asset) %	0.19327%	0.19816%	0.20077%	0.19907%	0.20039%
Albemarle's proportion of net pension liability (asset) \$	\$ 4,585,025	\$ 3,027,336	\$ 4,261,010	\$ 893,414	\$ (1,181,792)
Albemarle's covered payroll	\$ 11,921,550	\$ 11,827,787	\$ 11,796,289	\$ 11,148,197	\$ 10,816,329
Albemarle's proportionate share of of net pension liability (asset) as a percentage of it covered payroll	38.46%	25.60%	36.12%	8.01%	-10.93%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

CITY OF ALBEMARLE, NORTH CAROLINA

**SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Local Governmental Employees' Retirement System					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,194,083	\$ 1,931,388	\$ 1,565,448	\$ 1,292,080	\$ 1,105,497
Contributions in relation to the contractually required contribution	<u>2,194,083</u>	<u>1,931,388</u>	<u>1,565,448</u>	<u>1,292,080</u>	<u>1,105,497</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Albemarle's covered payroll	\$ 16,838,073	\$ 15,753,110	\$ 13,673,908	\$ 12,591,618	\$ 12,196,568
Contributions as a percentage of covered payroll	13.03%	12.26%	11.45%	10.26%	9.06%

CITY OF ALBEMARLE, NORTH CAROLINA

**SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Local Governmental Employees' Retirement System					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 947,528	\$ 911,189	\$ 871,049	\$ 806,049	\$ 795,267
Contributions in relation to the contractually required contribution	<u>947,528</u>	<u>911,189</u>	<u>871,049</u>	<u>806,049</u>	<u>795,267</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Albemarle's covered payroll	\$ 11,978,543	\$ 11,921,550	\$ 11,827,787	\$ 11,796,289	\$ 11,148,197
Contributions as a percentage of covered payroll	7.91%	7.64%	7.36%	6.83%	7.13%

CITY OF ALBEMARLE, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAST EIGHT FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance			
	2024	2023	2022	2021
Beginning balance	\$ 1,947,029	\$ 2,549,189	\$ 2,435,829	\$ 1,850,876
Service cost	72,968	100,454	99,221	65,972
Interest on the total pension liability	79,680	54,979	45,096	57,366
Differences between expected and actual experience in the measurement of the total pension liability	114,878	(220,136)	226,379	86,542
Changes of assumptions or other inputs	45,554	(326,091)	(58,886)	557,434
Benefit payments	(196,606)	(211,366)	(198,450)	(182,361)
Ending balance of the total pension liability	<u>\$ 2,063,503</u>	<u>\$ 1,947,029</u>	<u>\$ 2,549,189</u>	<u>\$ 2,435,829</u>

Notes to the Schedules:

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

Note: This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

CITY OF ALBEMARLE, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAST EIGHT FISCAL YEARS

	<u>Law Enforcement Officers' Special Separation Allowance</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 1,857,649	\$ 1,851,868	\$ 1,917,124	\$ 1,969,751
Service cost	61,070	69,904	55,801	62,541
Interest on the total pension liability	64,439	56,164	71,066	67,718
Differences between expected and actual experience in the measurement of the total pension liability	(3,071)	87,926	(130,471)	-
Changes of assumptions or other inputs	45,468	(59,134)	90,442	(37,099)
Benefit payments	<u>(174,679)</u>	<u>(149,079)</u>	<u>(152,094)</u>	<u>(145,787)</u>
Ending balance of the total pension liability	<u>\$ 1,850,876</u>	<u>\$ 1,857,649</u>	<u>\$ 1,851,868</u>	<u>\$ 1,917,124</u>

CITY OF ALBEMARLE, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
LAST EIGHT FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance			
	2024	2023	2022	2021
Total pension liability	\$ 2,063,503	\$ 1,947,029	\$ 2,549,189	\$ 2,435,829
Covered-employee payroll	2,526,401	2,376,147	2,118,821	2,224,903
Total pension liability as a percentage of covered-employee payroll	81.68%	81.94%	120.31%	109.48%

Notes to the Schedules:

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

Note: This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

CITY OF ALBEMARLE, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
LAST EIGHT FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance			
	2020	2019	2018	2017
Total pension liability	\$ 1,850,876	\$ 1,857,649	\$ 1,851,868	\$ 1,917,124
Covered-employee payroll	2,221,131	2,358,121	2,200,701	2,298,076
Total pension liability as a percentage of covered-employee payroll	83.33%	78.78%	84.15%	83.42%

CITY OF ALBEMARLE, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Healthcare Benefits Plan			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Service cost	\$ 517,784	\$ 659,429	\$ 589,704	\$ 433,708
Interest	487,602	316,924	282,473	383,697
Differences between expected and actual experience	(1,241,256)	747,954	456,061	(21,952)
Changes of assumptions	304,574	(1,917,328)	1,060,978	1,368,756
Benefit payments	<u>(371,368)</u>	<u>(755,169)</u>	<u>(382,979)</u>	<u>(616,574)</u>
Net change in OPEB liability	(302,664)	(948,190)	2,006,237	1,547,635
Total OPEB liability - beginning	<u>13,440,361</u>	<u>14,388,551</u>	<u>12,382,314</u>	<u>10,834,679</u>
Total OPEB liability - ending	<u>\$ 13,137,697</u>	<u>\$ 13,440,361</u>	<u>\$ 14,388,551</u>	<u>\$ 12,382,314</u>
Covered-employee payroll	\$ 14,867,439	\$ 12,882,644	\$ 12,882,644	\$ 10,971,306
Total OPEB liability as a percentage of covered-employee payroll	88.37%	104.33%	111.69%	112.86%

Notes to Schedules:

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

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

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

This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

CITY OF ALBEMARLE, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Healthcare Benefits Plan		
	2020	2019	2018
Service cost	\$ 533,178	\$ 551,538	\$ 596,719
Interest	454,673	412,447	364,403
Differences between expected and actual experience	(1,618,306)	501,668	(20,701)
Changes of assumptions	214,710	(378,011)	(640,656)
Benefit payments	<u>(867,360)</u>	<u>(1,101,284)</u>	<u>(545,476)</u>
Net change in OPEB liability	(1,283,105)	(13,642)	(245,711)
Total OPEB liability - beginning	<u>12,117,784</u>	<u>12,131,426</u>	<u>12,377,137</u>
Total OPEB liability - ending	<u>\$ 10,834,679</u>	<u>\$ 12,117,784</u>	<u>\$ 12,131,426</u>
Covered-employee payroll	\$ 10,971,306	\$ 11,144,863	\$ 11,144,863
Total OPEB liability as a percentage of covered-employee payroll	98.75%	108.73%	108.85%



ALBEMARLE
NORTH CAROLINA
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MAJOR GOVERNMENTAL FUND

General Fund – This fund accounts for resources traditionally associated with government that is not required legally or by sound financial management to be accounted for in other funds.



ALBEMARLE
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CITY OF ALBEMARLE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 8,220,044	\$ 8,579,484	\$ 359,440
Prior years	136,550	125,768	(10,782)
Penalties and interest	54,450	59,107	4,657
Total	<u>8,411,044</u>	<u>8,764,359</u>	<u>353,315</u>
Other Taxes and Licenses:			
Gross receipts tax on short-term rental property	40,000	42,563	2,563
Local occupancy tax	186,100	156,131	(29,969)
Privilege license fee	-	165	165
Motor vehicle fees	224,025	208,240	(15,785)
Total	<u>450,125</u>	<u>407,099</u>	<u>(43,026)</u>
Unrestricted Intergovernmental Revenues:			
Local option sales tax	6,360,000	6,114,985	(245,015)
Utility franchise tax	1,132,720	1,227,657	94,937
Telecommunications tax	60,640	65,905	5,265
Cable TV franchise	93,180	84,030	(9,150)
Piped natural gas sales tax	71,970	54,794	(17,176)
Beer and wine tax	69,670	80,731	11,061
ABC profit distribution	300,000	530,000	230,000
Total	<u>8,088,180</u>	<u>8,158,102</u>	<u>69,922</u>
Restricted Intergovernmental Revenues:			
ABC - law enforcement	18,000	23,085	5,085
Powell Bill allocation	560,984	621,486	60,502
Federal grants	610,730	23,857	(586,873)
State grants	14,500	21,732	7,232
Drug tax distribution	-	13,621	13,621
Federal shared revenues	-	38,540	38,540
Right-of-way mowing	22,000	30,198	8,198
Schools	355,989	268,069	(87,920)
Total	<u>1,582,203</u>	<u>1,040,588</u>	<u>(541,615)</u>
Permits and Fees:			
Fire department fees	28,450	55,786	27,336
Inspection and rezoning fees	33,000	28,736	(4,264)
Miscellaneous permits/fees	2,000	1,075	(925)
Total	<u>63,450</u>	<u>85,597</u>	<u>22,147</u>

CITY OF ALBEMARLE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Sales and Service:			
Court costs and fees	-	(2,095)	(2,095)
Refuse collection fees	1,736,575	1,921,374	184,799
Cultural and recreational fees	138,150	223,032	84,882
Total	<u>1,874,725</u>	<u>2,142,311</u>	<u>267,586</u>
Investment Earnings	<u>252,916</u>	<u>543,175</u>	<u>290,259</u>
Miscellaneous:			
Miscellaneous	30,920	28,980	(1,940)
Sale of surplus property	-	19,366	19,366
Sale of fixed assets	-	22,125	22,125
Rental revenue	134,800	25,576	(109,224)
Contributions	58,900	86,273	27,373
Insurance reimbursement	45,800	116,673	70,873
Total	<u>270,420</u>	<u>298,993</u>	<u>28,573</u>
Total revenues	<u>20,993,063</u>	<u>21,440,224</u>	<u>447,161</u>
Expenditures:			
General Government:			
Administration			
Salaries and employee benefits		202,247	
Other operating expenditures		273,048	
Total	<u>512,059</u>	<u>475,295</u>	<u>36,764</u>
Information Systems:			
Salaries and employees benefits		465,112	
Other operating expenditures		750,208	
Capital outlay		72,151	
Reimbursement - proprietary funds		(888,917)	
Total	<u>443,046</u>	<u>398,554</u>	<u>44,492</u>
Economic Development:			
Salaries and employees benefits		120,130	
Other operating expenditures		75,227	
Reimbursement - proprietary funds		(134,816)	
Total	<u>77,179</u>	<u>60,541</u>	<u>16,638</u>
Human Resources:			
Salaries and employee benefits		120,662	
Other operating expenditures		51,501	
Total	<u>161,499</u>	<u>172,163</u>	<u>(10,664)</u>

CITY OF ALBEMARLE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Finance:			
Salaries and employee benefits		205,715	
Other operating expenditures		320,648	
Total	<u>516,244</u>	<u>526,363</u>	<u>(10,119)</u>
Community Development:			
Salaries and employee benefits		514,252	
Other operating expenditures		176,657	
Capital outlay		16,880	
Total	<u>917,286</u>	<u>707,789</u>	<u>209,497</u>
Downtown Development:			
Salaries and employee benefits		108,919	
Other operating expenditures		20,148	
Total	<u>137,685</u>	<u>129,067</u>	<u>8,618</u>
Public Information:			
Salaries and employee benefits		96,939	
Other operating expenditures		51,356	
Reimbursement - proprietary funds		(88,717)	
Total	<u>56,924</u>	<u>59,578</u>	<u>(2,654)</u>
Legal:			
Salaries and employee benefits		187,248	
Other operating expenditures		13,322	
Reimbursement - proprietary funds		(120,636)	
Total	<u>98,115</u>	<u>79,934</u>	<u>18,181</u>
Total general government	<u>2,920,037</u>	<u>2,609,284</u>	<u>310,753</u>
Public Safety:			
Police:			
Salaries and employee benefits		4,722,348	
School resource officers		308,672	
Other operating expenditures		916,207	
Capital outlay		238,105	
Total	<u>6,360,074</u>	<u>6,185,332</u>	<u>174,742</u>
Fire Department:			
Salaries and employee benefits		4,041,857	
Other operating expenditures		610,282	
Capital outlay		243,321	
Total	<u>5,639,920</u>	<u>4,895,460</u>	<u>744,460</u>
Total public safety	<u>11,999,994</u>	<u>11,080,792</u>	<u>919,202</u>

CITY OF ALBEMARLE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Public Works:			
Administration:			
Salaries and employees benefits		183,443	
Solid waste disposal fee		335,597	
Downtown services		223,861	
Other operating expenditures		53,975	
Capital outlay		9,019	
Total	<u>836,318</u>	<u>805,895</u>	<u>30,423</u>
Streets and Highways:			
Salaries and employee benefits		930,682	
Other operating expenditures		1,241,038	
Capital outlay		138,499	
Total	<u>3,151,522</u>	<u>2,310,219</u>	<u>841,303</u>
Shop and Warehouse:			
Salaries and employee benefits		502,884	
Other operating expenditures		116,707	
Capital outlay		11,973	
Reimbursement - proprietary funds		(482,855)	
Total	<u>199,096</u>	<u>148,709</u>	<u>50,387</u>
Solid Waste Division:			
Salaries and employee benefits		21,851	
Other operating expenditures		14,943	
Solid waste		1,472,973	
Bad debt expense		6,198	
Capital outlay		296,911	
Total	<u>2,724,975</u>	<u>1,812,876</u>	<u>912,099</u>
Total public works	<u>6,911,911</u>	<u>5,077,699</u>	<u>1,834,212</u>
Cultural and Recreation:			
Parks and Recreation:			
Salaries and employee benefits		1,419,307	
Other operating expenditures		600,803	
Capital outlay		292,227	
Total	<u>2,601,815</u>	<u>2,312,337</u>	<u>289,478</u>

CITY OF ALBEMARLE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Auditorium:			
Other operating expenditures		6,080	
Total	43,100	6,080	37,020
Total cultural and recreation	2,644,915	2,318,417	326,498
Debt Service:			
Principal retirement		782,916	
Interest and fees		217,306	
Total debt service	1,039,490	1,000,222	39,268
Total expenditures	25,516,347	22,086,414	3,429,933
Revenues over (under) expenditures	(4,523,284)	(646,190)	3,877,094
Other Financing Sources (Uses):			
Long term debt issued	1,670,000	-	(1,670,000)
Operating transfers (to) from other funds:			
From Water and Sewer Fund	303,115	303,115	-
From Landfill Fund	31,710	31,710	-
From Public Housing Fund	18,815	-	(18,815)
From Electric Fund	968,000	968,000	-
From American Rescue Plan Act Fund	-	1,760,424	1,760,424
From General Capital Projects Fund	-	9	9
From Parks and Recreation Sports Complex Project	-	623,195	623,195
From Parks and Recreation Roosevelt Ingram Park Erosion Control	-	54,596	54,596
From Health Insurance Internal Service Fund	35,000	35,000	-
To Electric Fund	(25,000)	(25,000)	-
To King Alleyway Renovation Project Fund	(270,000)	(250,000)	20,000
Appropriated fund balance	1,791,644	-	(1,791,644)
Total other financing sources (uses)	4,523,284	3,501,049	(1,022,235)
Net change in fund balance	\$ -	2,854,859	\$ 2,854,859
Fund Balance:			
Beginning of year, July 1		11,753,441	
End of year, June 30		\$ 14,608,300	



ALBEMARLE
NORTH CAROLINA
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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Sidewalk Fee in Lieu Program Fund – This fund is used to account for funds for sidewalk improvements.

American Rescue Plan Fund – This fund is used to account for the City’s portion of the American Rescue Plan Act (ARPA) funding.

Stormwater Special Revenue Fund – This fund is used to account for funds for a stormwater pilot study.

Business Center Special Revenue Fund – This fund is used to account for funds related to the design and construction of a site ready project.

Capital Project Funds

Parks and Recreation Sports Complex Fund – This fund is used to account for contributions restricted for the construction of a sports complex and related expenditures.

General Capital Projects Fund – This fund is used to account for funds for various general capital projects for the City.

Parks and Recreation Roosevelt Ingram Park Erosion Control Fund – This fund is used to account for funds to be used for erosion control measures at Roosevelt Ingram Park.

Public Works Utility Relocation Sidewalk Project Fund – This fund is used to account for funds relating to construct sidewalks on NC Highway 24/27 East in relation to the widening project.

King Alleyway Renovation Project – This fund is used to account for funds for construction and rehabilitation of King Alleyway.

Albemarle Business Park Capital Project Fund – This fund is used to account for grant and other funds for construction of a business center.

CITY OF ALBEMARLE, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds				Capital Project Funds		
	Sidewalk Fee in Lieu Program	American Rescue Plan Fund	Stormwater Special Revenue Fund	Business Center Special Revenue Fund	Total Special Revenue Funds	Parks And Recreation Sports Complex Project	General Capital Projects Fund
Assets:							
Current assets:							
Cash and investments	\$ 483,810	\$ -	\$ -	\$ -	\$ 483,810	\$ -	\$ 37,944
Due from other governments	-	-	243,575	732,797	976,372	-	-
Restricted cash	-	-	-	-	-	-	9,263
Total assets	\$ 483,810	\$ -	\$ 243,575	\$ 732,797	\$ 1,460,182	\$ -	\$ 47,207
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 84,824	\$ 95,715	\$ 180,539	\$ -	\$ -
Due to other funds	-	-	155,113	637,082	792,195	-	-
Total liabilities	-	-	239,937	732,797	972,734	-	-
Fund Balances:							
Restricted:							
Stabilization by state statute	-	-	243,575	732,797	976,372	-	-
Public safety	-	-	-	-	-	-	9,263
Committed:							
Economic development	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	11,126
Public works	483,810	-	-	-	483,810	-	26,818
Unassigned	-	-	(239,937)	(732,797)	(972,734)	-	-
Total fund balances	483,810	-	3,638	-	487,448	-	47,207
Total liabilities and fund balances	\$ 483,810	\$ -	\$ 243,575	\$ 732,797	\$ 1,460,182	\$ -	\$ 47,207

CITY OF ALBEMARLE, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>Capital Project Funds</u>					
	<u>Parks And Recreation Roosevelt Ingram Park Erosion Control</u>	<u>Public Works Utility Relocation Sidewalk Project</u>	<u>King Alleyway Renovation Project</u>	<u>Albemarle Business Park</u>	<u>Total Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:						
Current assets:						
Cash and investments	\$ -	\$ -	\$ 211,005	\$ 2,111,108	\$ 2,360,057	\$ 2,843,867
Due from other governments	-	-	-	387,797	387,797	1,364,169
Restricted cash	-	-	-	-	9,263	9,263
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,005</u>	<u>\$ 2,498,905</u>	<u>\$ 2,757,117</u>	<u>\$ 4,217,299</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 64,302	\$ 363,647	\$ 427,949	\$ 608,488
Due to other funds	-	-	-	-	-	792,195
Total liabilities	<u>-</u>	<u>-</u>	<u>64,302</u>	<u>363,647</u>	<u>427,949</u>	<u>1,400,683</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	-	-	-	387,797	387,797	1,364,169
Public safety	-	-	-	-	9,263	9,263
Committed:						
Economic development	-	-	146,703	1,747,461	1,894,164	1,894,164
Public safety	-	-	-	-	11,126	11,126
Public works	-	-	-	-	26,818	510,628
Unassigned	-	-	-	-	-	(972,734)
Total fund balances	<u>-</u>	<u>-</u>	<u>146,703</u>	<u>2,135,258</u>	<u>2,329,168</u>	<u>2,816,616</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,005</u>	<u>\$ 2,498,905</u>	<u>\$ 2,757,117</u>	<u>\$ 4,217,299</u>

CITY OF ALBEMARLE, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				Capital Projects Funds		
	Sidewalk Fee in Lieu Program	American Rescue Plan Fund	Stormwater Special Revenue Fund	Business Center Special Revenue Fund	Total Special Revenue Funds	Parks And Recreation Sports Complex Project	General Capital Projects Fund
Revenues:							
Restricted intergovernmental	\$ -	\$ 1,634,731	\$ 210,200	\$ -	\$ 1,844,931	\$ -	\$ -
Investment earnings	17,287	70,704	3,638	-	91,629	20,032	13,408
Miscellaneous revenues	85,126	-	33,375	703,789	822,290	-	-
Total revenues	<u>102,413</u>	<u>1,705,435</u>	<u>247,213</u>	<u>703,789</u>	<u>2,758,850</u>	<u>20,032</u>	<u>13,408</u>
Expenditures:							
General government	-	-	437,065	-	437,065	-	-
Capital outlay	-	-	-	703,789	703,789	-	2,279,110
Total expenditures	<u>-</u>	<u>-</u>	<u>437,065</u>	<u>703,789</u>	<u>1,140,854</u>	<u>-</u>	<u>2,279,110</u>
Revenues over (under) expenditures	<u>102,413</u>	<u>1,705,435</u>	<u>(189,852)</u>	<u>-</u>	<u>1,617,996</u>	<u>20,032</u>	<u>(2,265,702)</u>
Other Financing Sources (Uses):							
Transfers from (to) other funds:							
From General Fund	-	-	-	-	-	-	-
To General Fund	-	(1,760,424)	-	-	(1,760,424)	(623,195)	(9)
To Water and Sewer Fund	-	(112,144)	-	-	(112,144)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,872,568)</u>	<u>-</u>	<u>-</u>	<u>(1,872,568)</u>	<u>(623,195)</u>	<u>(9)</u>
Net change in fund balances	<u>102,413</u>	<u>(167,133)</u>	<u>(189,852)</u>	<u>-</u>	<u>(254,572)</u>	<u>(603,163)</u>	<u>(2,265,711)</u>
Fund Balance:							
Beginning of year - July 1, as previously presented	381,397	167,133	193,490	-	742,020	603,163	2,312,918
Change withing financial reporting entity (major to nonmajor fund)	-	-	-	-	-	-	-
Beginning of year - July 1, as adjusted or restated	<u>381,397</u>	<u>167,133</u>	<u>193,490</u>	<u>-</u>	<u>742,020</u>	<u>603,163</u>	<u>2,312,918</u>
End of year - June 30	<u>\$ 483,810</u>	<u>\$ -</u>	<u>\$ 3,638</u>	<u>\$ -</u>	<u>\$ 487,448</u>	<u>\$ -</u>	<u>\$ 47,207</u>

CITY OF ALBEMARLE, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Capital Projects Funds					
	Parks And Recreation Roosevelt Ingram Park Erosion Control	Public Works Utility Relocation Sidewalk Project	King Alleyway Renovation Project	Albemarle Business Park	Total Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 344,300	\$ 344,300	\$ 2,189,231
Investment earnings	1,797	-	20,469	115,152	170,858	262,487
Miscellaneous revenues	-	-	-	-	-	822,290
Total revenues	<u>1,797</u>	<u>-</u>	<u>20,469</u>	<u>459,452</u>	<u>515,158</u>	<u>3,274,008</u>
Expenditures:						
General government	-	-	-	-	-	437,065
Capital outlay	789	-	824,571	2,360,468	5,464,938	6,168,727
Total expenditures	<u>789</u>	<u>-</u>	<u>824,571</u>	<u>2,360,468</u>	<u>5,464,938</u>	<u>6,605,792</u>
Revenues over (under) expenditures	<u>1,008</u>	<u>-</u>	<u>(804,102)</u>	<u>(1,901,016)</u>	<u>(4,949,780)</u>	<u>(3,331,784)</u>
Other Financing Sources (Uses):						
Transfers from (to) other funds:						
From General Fund	-	-	250,000	-	250,000	250,000
To General Fund	(54,596)	-	-	-	(677,800)	(2,438,224)
To Water and Sewer Fund	-	-	-	-	-	(112,144)
Total other financing sources (uses)	<u>(54,596)</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>(427,800)</u>	<u>(2,300,368)</u>
Net change in fund balances	<u>(53,588)</u>	<u>-</u>	<u>(554,102)</u>	<u>(1,901,016)</u>	<u>(5,377,580)</u>	<u>(5,632,152)</u>
Fund Balance:						
Beginning of year - July 1, as previously presented	53,588	-	700,805	-	3,670,474	4,412,494
Change withing financial reporting entity (major to nonmajor fund)	-	-	-	4,036,274	4,036,274	4,036,274
Beginning of year - July 1, as adjusted or restated	<u>53,588</u>	<u>-</u>	<u>700,805</u>	<u>4,036,274</u>	<u>7,706,748</u>	<u>8,448,768</u>
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,703</u>	<u>\$ 2,135,258</u>	<u>\$ 2,329,168</u>	<u>\$ 2,816,616</u>

CITY OF ALBEMARLE, NORTH CAROLINA

SIDEWALK FEE IN LIEU PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Pedestrian improvement fees	\$ -	\$ 85,126	\$ 85,126
Investment earnings	-	17,287	17,287
Total revenues	<u>-</u>	<u>102,413</u>	<u>102,413</u>
Net change in fund balance	<u>\$ -</u>	<u>102,413</u>	<u>\$ 102,413</u>
Fund Balance:			
Beginning of year, July 1		<u>381,397</u>	
End of year, June 30		<u>\$ 483,810</u>	

CITY OF ALBEMARLE, NORTH CAROLINA

AMERICAN RESCUE PLAN FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted intergovernmental	\$ 5,177,559	\$ 3,542,828	\$ 1,634,731	\$ 5,177,559	\$ -
Investment earnings	240,000	167,133	70,704	237,837	(2,163)
Total revenues	<u>5,417,559</u>	<u>3,709,961</u>	<u>1,705,435</u>	<u>5,415,396</u>	<u>(2,163)</u>
Revenues over (under) expenditures	<u>5,417,559</u>	<u>3,709,961</u>	<u>1,705,435</u>	<u>5,415,396</u>	<u>(2,163)</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
To General Fund	(4,141,384)	(2,378,797)	(1,760,424)	(4,139,221)	2,163
To Water and Sewer Fund	(1,223,625)	(1,111,481)	(112,144)	(1,223,625)	-
To Electric Fund	<u>(52,550)</u>	<u>(52,550)</u>	<u>-</u>	<u>(52,550)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,417,559)</u>	<u>(3,542,828)</u>	<u>(1,872,568)</u>	<u>(5,415,396)</u>	<u>2,163</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 167,133</u>	<u>(167,133)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			<u>167,133</u>		
End of year, June 30			<u>\$ -</u>		

CITY OF ALBEMARLE, NORTH CAROLINA

STORMWATER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	
Revenues:					
Private Grants	\$ 250,000	\$ -	\$ 33,375	\$ 33,375	\$ (216,625)
Restricted intergovernmental	400,000	-	210,200	210,200	(189,800)
Investment earnings	-	-	3,638	3,638	3,638
Total revenues	<u>650,000</u>	<u>-</u>	<u>247,213</u>	<u>247,213</u>	<u>(402,787)</u>
Expenditures:					
Little Long Creek PILOT Study 1:					
Engineering and consulting services	400,000	-	210,200	210,200	189,800
Little Long Creek PILOT Study 2:					
Engineering and consulting services	<u>500,000</u>	<u>56,510</u>	<u>226,865</u>	<u>283,375</u>	<u>216,625</u>
Total expenditures	<u>900,000</u>	<u>56,510</u>	<u>437,065</u>	<u>493,575</u>	<u>406,425</u>
Revenues over (under) expenditures	(250,000)	(56,510)	(189,852)	(246,362)	3,638
Other Financing Sources (Uses):					
Transfers from other funds:					
From General Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 193,490</u>	<u>(189,852)</u>	<u>\$ 3,638</u>	<u>\$ 3,638</u>
Fund Balance:					
Beginning of year, July 1			<u>193,490</u>		
End of year, June 30			<u>\$ 3,638</u>		

CITY OF ALBEMARLE, NORTH CAROLINA

BUSINESS CENTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project</u> <u>Authorization</u>	<u>Actual</u>			<u>Variance</u> <u>Over/Under</u>
		<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u> <u>To Date</u>	
Revenues:					
Private grants	\$ 763,100	\$ 29,008	\$ 703,789	\$ 732,797	\$ (30,303)
Expenditures:					
Engineering and construction	<u>763,100</u>	<u>29,008</u>	<u>703,789</u>	<u>732,797</u>	<u>30,303</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

CITY OF ALBEMARLE, NORTH CAROLINA

PARKS AND RECREATION SPORTS COMPLEX PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total To Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Contributions	\$ 4,600,000	\$ -	\$ -	\$ -	\$ (4,600,000)
Investment earnings	-	28,522	20,032	48,554	48,554
Total revenues	<u>4,600,000</u>	<u>28,522</u>	<u>20,032</u>	<u>48,554</u>	<u>(4,551,446)</u>
Expenditures:					
Construction	<u>6,376,805</u>	<u>430,359</u>	<u>-</u>	<u>430,359</u>	<u>5,946,446</u>
Revenues over (under) expenditures	<u>(1,776,805)</u>	<u>(401,837)</u>	<u>20,032</u>	<u>(381,805)</u>	<u>1,395,000</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
From General Fund	2,400,000	1,005,000	-	1,005,000	(1,395,000)
To General Fund	<u>(623,195)</u>	<u>-</u>	<u>(623,195)</u>	<u>(623,195)</u>	<u>-</u>
Total other financing sources	<u>1,776,805</u>	<u>1,005,000</u>	<u>(623,195)</u>	<u>381,805</u>	<u>(1,395,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 603,163</u>	<u>(603,163)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			<u>603,163</u>		
End of year, June 30			<u>\$ -</u>		

CITY OF ALBEMARLE, NORTH CAROLINA

GENERAL CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
Investment earnings	\$ -	\$ 5,215	\$ 13,408	\$ 18,623	\$ 18,623
Expenditures:					
Storm Water Master Plan Project:					
Professional services	619,576	600,255	-	600,255	19,321
Front-Line Fire Engine Project:					
Capital outlay and other fees	813,163	26,501	777,399	803,900	9,263
New Motorola Radios Project:					
Capital outlay	1,501,711	-	1,501,711	1,501,711	-
Total expenditures	<u>2,934,450</u>	<u>626,756</u>	<u>2,279,110</u>	<u>2,905,866</u>	<u>28,584</u>
Revenues over (under) expenditures	<u>(2,934,450)</u>	<u>(621,541)</u>	<u>(2,265,702)</u>	<u>(2,887,243)</u>	<u>47,207</u>
Other Financing Sources (Uses):					
Storm Water Master Plan Project:					
Transfers from (to) other funds:					
From General Fund	619,576	619,576	-	619,576	-
Front-Line Fire Engine Project:					
Long-term debt issued	813,163	813,163	-	813,163	-
New Motorola Radios Project:					
Transfers from (to) other funds:					
From General Fund	1,501,720	1,501,720	-	1,501,720	-
To General Fund	<u>(9)</u>	<u>-</u>	<u>(9)</u>	<u>(9)</u>	<u>-</u>
Total other financing sources	<u>2,934,450</u>	<u>2,934,459</u>	<u>(9)</u>	<u>2,934,450</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,312,918</u>	<u>(2,265,711)</u>	<u>\$ 47,207</u>	<u>\$ 47,207</u>
Fund Balance:					
Beginning of year, July 1			<u>2,312,918</u>		
End of year, June 30			<u>\$ 47,207</u>		

CITY OF ALBEMARLE, NORTH CAROLINA

PARKS AND RECREATION - ROOSEVELT INGRAM PARK - EROSION CONTROL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual		Total To Date	Variance Over/Under
	Prior Years	Current Year			
Revenues:					
Investment earnings	\$ 4,890	\$ 3,093	\$ 1,797	\$ 4,890	\$ -
Expenditures:					
Engineering	14,675	14,675	-	14,675	-
Environmental remediation	15,619	14,830	789	15,619	-
Total expenditures	30,294	29,505	789	30,294	-
Revenues over (under) expenditures	(25,404)	(26,412)	1,008	(25,404)	-
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
From General Fund	80,000	80,000	-	80,000	-
To General Fund	(54,596)	-	(54,596)	(54,596)	-
Total other financing sources (uses)	25,404	80,000	(54,596)	25,404	-
Net change in fund balance	\$ -	\$ 53,588	(53,588)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			53,588		
End of year, June 30			\$ -		

CITY OF ALBEMARLE, NORTH CAROLINA

PUBLIC WORKS - UTILITY RELOCATION SIDEWALK PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total To Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
Sidewalks	\$ 92,363	\$ 46,182	\$ -	\$ 46,182	\$ 46,181
Revenues over (under) expenditures	(92,363)	(46,182)	-	(46,182)	46,181
Other Financing Sources (Uses):					
Transfers from other funds:					
From General Fund	92,363	46,182	-	46,182	(46,181)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

CITY OF ALBEMARLE, NORTH CAROLINA

KING ALLEYWAY RENOVATION PROJECT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
Private grants	\$ 5,000	\$ -	\$ -	\$ -	\$ (5,000)
Investment earnings	-	3,028	20,469	23,497	23,497
Total revenues	<u>5,000</u>	<u>3,028</u>	<u>20,469</u>	<u>23,497</u>	<u>18,497</u>
Expenditures:					
Construction materials	942,595	-	817,917	817,917	124,678
Landscaping and professional services	41,490	4,710	-	4,710	36,780
Engineering, poles and other materials	80,510	107,108	6,654	113,762	(33,252)
Total expenditures	<u>1,064,595</u>	<u>111,818</u>	<u>824,571</u>	<u>936,389</u>	<u>128,206</u>
Revenues over (under) expenditures	<u>(1,059,595)</u>	<u>(108,790)</u>	<u>(804,102)</u>	<u>(912,892)</u>	<u>146,703</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
From General Fund	909,595	659,595	250,000	909,595	-
From Electric Fund	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
Total other financing sources	<u>1,059,595</u>	<u>809,595</u>	<u>250,000</u>	<u>1,059,595</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 700,805</u>	<u>(554,102)</u>	<u>\$ 146,703</u>	<u>\$ 146,703</u>
Fund Balance:					
Beginning of year, July 1			<u>700,805</u>		
End of year, June 30			<u>\$ 146,703</u>		

CITY OF ALBEMARLE, NORTH CAROLINA

ALBEMARLE BUSINESS PARK

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual		Total To Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental revenues:					
Rural center grant	\$ 750,000	\$ 334,089	\$ 344,300	\$ 678,389	\$ (71,611)
Investment earnings	-	173,061	115,152	288,213	288,213
Total revenues	<u>750,000</u>	<u>507,150</u>	<u>459,452</u>	<u>966,602</u>	<u>216,602</u>
Expenditures:					
Construction, engineering, and related costs					
Other improvements	9,846,241	6,033,101	2,360,468	8,393,569	1,452,672
Contingency	465,984	-	-	-	465,984
Total expenditures	<u>10,312,225</u>	<u>6,033,101</u>	<u>2,360,468</u>	<u>8,393,569</u>	<u>1,918,656</u>
Revenues over (under) expenditures	<u>(9,562,225)</u>	<u>(5,525,951)</u>	<u>(1,901,016)</u>	<u>(7,426,967)</u>	<u>2,135,258</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
From General Fund	4,144,313	4,144,313	-	4,144,313	-
From Water and Sewer Fund	3,058,873	3,058,873	-	3,058,873	-
From Electric Fund	2,359,039	2,359,039	-	2,359,039	-
Total other financing sources	<u>9,562,225</u>	<u>9,562,225</u>	<u>-</u>	<u>9,562,225</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,036,274</u>	<u>(1,901,016)</u>	<u>\$ 2,135,258</u>	<u>\$ 2,135,258</u>
Fund Balance:					
Beginning of year, July 1			<u>4,036,274</u>		
End of year, June 30			<u>\$ 2,135,258</u>		



ALBEMARLE
NORTH CAROLINA
Water. Air. Land. Opportunity.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations what 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.

Water and Sewer Fund – This fund is used to account for the City’s water and sewer operations.

Electric Fund – This fund is used to account for the City’s electric operations.

Landfill Fund – This fund is used to account for the City’s landfill operations.

Albemarle Department of Public Housing – This fund is used to account for the City’s public housing operations.



ALBEMARLE
NORTH CAROLINA
Water. Air. Land. Opportunity.

CITY OF ALBEMARLE, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Water sales:			
Residential	\$ 2,093,990	\$ 2,208,606	\$ 114,616
Commercial and industrial	7,755,874	8,905,423	1,149,549
Municipal usage	<u>88,168</u>	<u>67,413</u>	<u>(20,755)</u>
Total	<u>9,938,032</u>	<u>11,181,442</u>	<u>1,243,410</u>
Sewer Charges:			
Residential	1,801,000	1,994,650	193,650
Commercial and industrial	700,020	579,568	(120,452)
Municipal usage	<u>1,390,720</u>	<u>1,528,151</u>	<u>137,431</u>
Total	<u>3,891,740</u>	<u>4,102,369</u>	<u>210,629</u>
Water and sewer taps	<u>79,500</u>	<u>357,940</u>	<u>278,440</u>
Other operating revenues	<u>149,640</u>	<u>152,130</u>	<u>2,490</u>
Total operating revenues	<u>14,058,912</u>	<u>15,793,881</u>	<u>1,734,969</u>
Non-operating revenues:			
Investment earnings	120,932	345,526	224,594
Federal grants	350,000	-	(350,000)
Sale of assets	74,000	13,506	(60,494)
Other	<u>15,785</u>	<u>19,304</u>	<u>3,519</u>
Total non-operating revenues	<u>560,717</u>	<u>378,336</u>	<u>(182,381)</u>
Total revenues	<u>14,619,629</u>	<u>16,172,217</u>	<u>1,552,588</u>
Expenditures:			
Water and Sewer Administration:			
Salaries and employees benefits		955,339	
Professional services		90,467	
Postage		1,364	
Repairs		14,329	
Supplies		3,317	
Other operating expenditures		1,077,000	
Utilities		<u>18,933</u>	
Total	<u>2,372,334</u>	<u>2,160,749</u>	<u>211,585</u>
Water and Sewer Customer Service:			
Salaries and employees benefits		137,462	
Other operating expenditures		<u>782</u>	
Total	<u>183,640</u>	<u>138,244</u>	<u>45,396</u>

CITY OF ALBEMARLE, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Water Treatment Plant:			
Salaries and employees benefits		1,189,383	
Supplies		1,039,429	
Repairs		145,016	
Contracted services		208,724	
Utilities		671,334	
Other operating expenditures		119,974	
Total	<u>3,538,235</u>	<u>3,373,860</u>	<u>164,375</u>
Sewer Treatment Plant:			
Salaries and employees benefits		1,107,018	
Supplies		142,996	
Repairs		70,673	
Contracted services		110,758	
Utilities		763,879	
Other operating expenditures		86,769	
Total	<u>2,444,555</u>	<u>2,282,093</u>	<u>162,462</u>
System Division:			
Salaries and employee benefits		1,519,941	
Supplies		489,534	
Repairs		76,749	
Contracted services		330,504	
Utilities		805	
Other operating expenditures		234,868	
Total	<u>3,142,740</u>	<u>2,652,401</u>	<u>490,339</u>
Debt Service:			
Principal retirement		1,676,308	
Interest and fees		226,029	
Total	<u>1,959,100</u>	<u>1,902,337</u>	<u>56,763</u>
Capital Outlay:			
Utility administration		8,440	
Water treatment plant		14,399	
Sewer treatment plant		257,411	
Systems division		635,205	
Total	<u>1,167,500</u>	<u>915,455</u>	<u>252,045</u>
Total expenditures	<u>14,808,104</u>	<u>13,425,139</u>	<u>1,382,965</u>
Revenues over (under) expenditures	<u>(188,475)</u>	<u>2,747,078</u>	<u>2,935,553</u>

CITY OF ALBEMARLE, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers (to) from other funds:			
To General Fund	(303,115)	(303,115)	-
To General Capital Projects Fund	(17,500)	-	17,500
To Water and Sewer Capital Projects Fund	(161,097)	(161,097)	-
From American Rescue Plan Act Fund	-	112,144	112,144
Appropriated fund balance	<u>670,187</u>	<u>-</u>	<u>(670,187)</u>
Total other financing sources (uses)	<u>188,475</u>	<u>(352,068)</u>	<u>(540,543)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,395,010</u>	<u>\$ 2,395,010</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ 2,395,010</u>	
Principal retirement		1,676,308	
Capital outlay		915,455	
Depreciation and amortization		(2,954,271)	
Gain (loss) on disposal of capital assets		(1,346)	
Change in inventory		(13,905)	
Change in accrued interest payable		2,092	
Change in deferred outflows of resources - pensions		127,723	
Change in net pension liability		(401,523)	
Change in deferred inflows of resources - pensions		13,579	
Change in deferred outflows of resources - OPEB		(55,742)	
Change in other post-employment benefits		59,262	
Change in deferred inflows of resources - OPEB		(52,288)	
Change in accrued compensated absences		(1,519)	
Transfer to Water and Sewer Capital Projects Fund		<u>161,097</u>	
Total reconciling items		<u>(525,078)</u>	
Change in net position		<u>\$ 1,869,932</u>	

CITY OF ALBEMARLE, NORTH CAROLINA

WATER AND SEWER UTILITY RELOCATION CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted intergovernmental revenues					
NCDOT grant	\$ 208,175	\$ 224,383	\$ -	\$ 224,383	\$ 16,208
Total revenues	<u>208,175</u>	<u>224,383</u>	<u>-</u>	<u>224,383</u>	<u>16,208</u>
Expenditures:					
Engineering	277,570	264,705	52,960	317,665	(40,095)
Construction	<u>1,303,005</u>	<u>868,666</u>	<u>-</u>	<u>868,666</u>	<u>434,339</u>
Total expenditures	<u>1,580,575</u>	<u>1,133,371</u>	<u>52,960</u>	<u>1,186,331</u>	<u>394,244</u>
Revenues (under) expenditures	(1,372,400)	(908,988)	(52,960)	(961,948)	410,452
Other Financing Sources (Uses):					
Transfers from other funds:					
Water and Sewer Fund	<u>1,372,400</u>	<u>868,666</u>	<u>-</u>	<u>868,666</u>	<u>(503,734)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (40,322)</u>	<u>\$ (52,960)</u>	<u>\$ (93,282)</u>	<u>\$ (93,282)</u>

CITY OF ALBEMARLE, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	
Expenditures:					
Sanitary Sewer Rehabilitation Phase 3:					
Construction, engineering, and professional services	\$ 7,866,095	\$ 421,687	\$ 6,813,886	\$ 7,235,573	\$ 630,522
Waste Water Comprehensive Rehabilitation:					
Engineering	997,000	258,950	219,340	478,290	518,710
Moss Springs Pump Station Rehabilitation:					
Construction	<u>593,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,500</u>
Total expenditures	<u>9,456,595</u>	<u>680,637</u>	<u>7,033,226</u>	<u>7,713,863</u>	<u>1,742,732</u>
Revenues (under) expenditures	<u>(9,456,595)</u>	<u>(680,637)</u>	<u>(7,033,226)</u>	<u>(7,713,863)</u>	<u>1,742,732</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
From Water and Sewer Fund	747,737	586,640	161,097	747,737	-
Installment purchase obligations issued	<u>8,708,858</u>	<u>-</u>	<u>4,098,208</u>	<u>4,098,208</u>	<u>(4,610,650)</u>
Total other financing sources (uses)	<u>9,456,595</u>	<u>586,640</u>	<u>4,259,305</u>	<u>4,845,945</u>	<u>(4,610,650)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (93,997)</u>	<u>\$ (2,773,921)</u>	<u>\$ (2,867,918)</u>	<u>\$ (2,867,918)</u>

CITY OF ALBEMARLE, NORTH CAROLINA

**ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Residential sales	\$ 14,662,578	\$ 15,422,980	\$ 760,402
Commercial and industrial sales	12,862,340	12,336,439	(525,901)
Sales to city departments	<u>1,305,160</u>	<u>1,105,472</u>	<u>(199,688)</u>
Total revenues	28,830,078	28,864,891	34,813
Other operating revenues	<u>1,201,250</u>	<u>1,131,095</u>	<u>(70,155)</u>
Total operating revenues	<u>30,031,328</u>	<u>29,995,986</u>	<u>(35,342)</u>
Non-Operating Revenues:			
Interest earned on investments	253,500	627,613	374,113
Miscellaneous non-operating income	47,228	95,537	48,309
Sale of assets	<u>25,000</u>	<u>22,887</u>	<u>(2,113)</u>
Total non-operating revenues	<u>325,728</u>	<u>746,037</u>	<u>420,309</u>
Total revenues	<u>30,357,056</u>	<u>30,742,023</u>	<u>384,967</u>
Expenditures:			
Administrative and Finance:			
Salaries and employees benefits		1,090,273	
Other operating expenditures		<u>1,551,856</u>	
Total	<u>2,924,513</u>	<u>2,642,129</u>	<u>282,384</u>
Customer Service:			
Salaries and employees benefits		151,261	
Other operating expenditures		<u>12,086</u>	
Total	<u>190,450</u>	<u>163,347</u>	<u>27,103</u>
Electric Operations:			
Salaries and employees benefits		2,202,636	
Electric power purchases		20,118,238	
Other operating expenditures		<u>3,227,467</u>	
Total	<u>26,916,987</u>	<u>25,548,341</u>	<u>1,368,646</u>
Debt Service:			
Principal retirement		24,351	
Interest and other charges		<u>580</u>	
Total debt service	<u>26,282</u>	<u>24,931</u>	<u>1,351</u>
Capital Outlay:			
Administrative and finance		16,880	
Electric operations		<u>699,242</u>	
Total	<u>1,848,000</u>	<u>716,122</u>	<u>1,131,878</u>
Total expenditures	<u>31,906,232</u>	<u>29,094,870</u>	<u>2,811,362</u>

CITY OF ALBEMARLE, NORTH CAROLINA

**ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	(1,549,176)	1,647,153	3,196,329
Other Financing Sources (Uses):			
Transfer from (to) funds:			
To the General Fund	(1,450,500)	(968,000)	482,500
From the General Fund	132,863	25,000	(107,863)
Appropriated fund balance	2,866,813	-	(2,866,813)
Total other financing sources (uses)	<u>1,549,176</u>	<u>(943,000)</u>	<u>(2,492,176)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 704,153</u>	<u>\$ 704,153</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ 704,153</u>	
Principal retirement		24,351	
Capital outlay		716,122	
Depreciation and amortization		(817,041)	
Gain (loss) on disposal of capital assets		(1,346)	
Change in inventory		1,908,920	
Change in accrued interest payable		61	
Change in deferred outflows of resources - pensions		72,994	
Change in net pension liability		(229,471)	
Change in deferred inflows of resources - pensions		7,760	
Change in deferred outflows of resources - OPEB		15,070	
Change in other post-employment benefits		33,868	
Change in deferred inflows of resources - OPEB		(69,067)	
Change in accrued compensated absences		(37,967)	
Interest income from capital projects funds		28,728	
Total reconciling items		<u>1,652,982</u>	
Change in net position		<u>\$ 2,357,135</u>	

CITY OF ALBEMARLE, NORTH CAROLINA

**ELECTRIC UTILITY RELOCATION PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total To Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted intergovernmental revenues:					
NCDOT Transportation Improvement program	\$ 4,867,668	\$ 2,829,823	\$ -	\$ 2,829,823	\$ (2,037,845)
Investment earnings	-	6,710	8,409	15,119	15,119
Total revenues	<u>4,867,668</u>	<u>2,836,533</u>	<u>8,409</u>	<u>2,844,942</u>	<u>(2,022,726)</u>
Expenditures:					
Engineering	75,000	141,977	-	141,977	(66,977)
Other professional services	230,000	1,011	-	1,011	228,989
Distribution lines	501,895	297,554	-	297,554	204,341
Contract services	4,060,773	2,189,789	-	2,189,789	1,870,984
Total expenditures	<u>4,867,668</u>	<u>2,630,331</u>	<u>-</u>	<u>2,630,331</u>	<u>2,237,337</u>
Revenues (under) expenditures	<u>\$ -</u>	<u>\$ 206,202</u>	<u>\$ 8,409</u>	<u>\$ 214,611</u>	<u>\$ 214,611</u>

CITY OF ALBEMARLE, NORTH CAROLINA

ELECTRIC CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total To Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Interest earnings	\$ -	\$ -	\$ 20,319	\$ 20,319	\$ 20,319
Expenditures:					
Public Utility AMI Meter Upgrade: Construction and acquisition	<u>2,600,000</u>	<u>1,944,033</u>	<u>79,356</u>	<u>2,023,389</u>	<u>576,611</u>
Revenues (under) expenditures	<u>(2,600,000)</u>	<u>(1,944,033)</u>	<u>(59,037)</u>	<u>(2,003,070)</u>	<u>596,930</u>
Other Financing Sources (Uses):					
Transfer from Electric Fund	2,250,000	2,250,000	-	2,250,000	-
Transfer from Water and Sewer Fund	<u>350,000</u>	<u>350,000</u>	-	<u>350,000</u>	-
Total other financing (uses)	<u>2,600,000</u>	<u>2,600,000</u>	-	<u>2,600,000</u>	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 655,967</u>	<u>\$ (59,037)</u>	<u>\$ 596,930</u>	<u>\$ 596,930</u>

CITY OF ALBEMARLE, NORTH CAROLINA

LANDFILL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Disposal fees	\$ 3,322,351	\$ 3,468,442	\$ 146,091
Solid waste fees	150,000	159,960	9,960
Sales of mulch and scrap	500	1,531	1,031
Total charges for services	<u>3,472,851</u>	<u>3,629,933</u>	<u>157,082</u>
Other operating revenues	<u>75,000</u>	<u>79,980</u>	<u>4,980</u>
Total operating revenues	<u>3,547,851</u>	<u>3,709,913</u>	<u>162,062</u>
Non-Operating Revenues:			
Solid waste, scrap tire, and white goods disposal tax	136,000	205,199	69,199
Interest earned on investments	79,700	338,654	258,954
Miscellaneous non-operating income	-	212,207	212,207
Total non-operating revenues	<u>215,700</u>	<u>756,060</u>	<u>540,360</u>
Total revenues	<u>3,763,551</u>	<u>4,465,973</u>	<u>702,422</u>
Expenditures:			
Landfill Operations:			
Salaries and employees benefits		1,244,580	
Other operating expenditures		1,533,081	
Total	<u>3,004,394</u>	<u>2,777,661</u>	<u>226,733</u>
Debt service:			
Principal retirement		273,435	
Interest and fees		37,753	
Total	<u>665,328</u>	<u>311,188</u>	<u>354,140</u>
Capital outlay	<u>533,000</u>	<u>501,974</u>	<u>31,026</u>
Total expenditures	<u>4,202,722</u>	<u>3,590,823</u>	<u>611,899</u>
Revenues over (under) expenditures	<u>(439,171)</u>	<u>875,150</u>	<u>1,314,321</u>

CITY OF ALBEMARLE, NORTH CAROLINA

LANDFILL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Issuance of long-term debt	480,000	-	(480,000)
Transfers from (to) other funds:			
To General Fund	(31,710)	(31,710)	-
To Landfill closure/post-closure	(75,000)	-	75,000
From Landfill Capital Projects Fund	-	34,846	34,846
Appropriated fund balance	<u>65,881</u>	<u>-</u>	<u>(65,881)</u>
Total other financing (uses)	<u>439,171</u>	<u>3,136</u>	<u>(436,035)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 878,286</u>	<u>\$ 878,286</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ 878,286</u>	
Principal retirement		273,435	
Capital outlay		501,974	
Depreciation and amortization		(452,309)	
Gain (loss) on disposal of capital assets		(15,512)	
Change in accrued interest payable		526	
Change in deferred outflows of resources - pensions		29,681	
Change in net pension liability		(93,306)	
Change in deferred inflows of resources - pensions		3,155	
Change in deferred outflows of resources - OPEB		(12,651)	
Change in other post-employment benefits		13,771	
Change in deferred inflows of resources - OPEB		(12,404)	
Change in accrued compensated absences		(14,841)	
Adjustment to accrued landfill closure and post-closure costs		(315,914)	
Transfer from Landfill Capital Projects Fund		<u>(34,846)</u>	
Total reconciling items		<u>(129,241)</u>	
Change in net position		<u>\$ 749,045</u>	

CITY OF ALBEMARLE, NORTH CAROLINA

LANDFILL CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual		Total To Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Interest earnings	\$ 2,431	\$ 2,432	\$ -	\$ 2,432	\$ 1
Expenditures:					
Landfill Certified Compactor Rebulid:					
Capital outlay and loan fees	463,626	463,626	-	463,626	-
Landfill Dozer:					
Capital outlay and loan fees	569,002	569,002	-	569,002	-
Landfill Compactor:					
Capital outlay	914,000	897,724	-	897,724	16,276
Total expenditures	1,946,628	1,930,352	-	1,930,352	16,276
Revenues (under) expenditures	(1,944,197)	(1,927,920)	-	(1,927,920)	16,277
Other Financing Sources (Uses):					
Long-term debt issued	1,839,043	925,043	-	925,043	(914,000)
Transfers from (to) other funds:					
Transfer from Landfill Fund	140,000	140,000	-	140,000	-
Transfer to Landfill Fund	(34,846)	-	(34,846)	(34,846)	-
Total other financing sources (uses)	1,944,197	1,065,043	(34,846)	1,030,197	(914,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (862,877)	\$ (34,846)	\$ (897,723)	\$ (897,723)

CITY OF ALBEMARLE, NORTH CAROLINA

DEPARTMENT OF PUBLIC HOUSING
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Department of Public Housing</u>		<u>Total</u>
	<u>Conventional</u>	<u>Section 8</u>	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 279,620	\$ 59,046	\$ 338,666
Accounts receivable - net	78,345	-	78,345
Restricted cash and cash equivalents	300,668	8,046	308,714
Total current assets	<u>658,633</u>	<u>67,092</u>	<u>725,725</u>
Capital assets:			
Land and construction in progress	163,505	-	163,505
Other capital assets, net of depreciation	4,586,559	49,730	4,636,289
Right to use assets, net of amortization	2,315	287	2,602
Total capital assets	<u>4,752,379</u>	<u>50,017</u>	<u>4,802,396</u>
Total assets	<u>5,411,012</u>	<u>117,109</u>	<u>5,528,121</u>
Deferred Outflows of Resources:			
Pension deferrals	210,071	41,265	251,336
OPEB deferrals	32,206	21,470	53,676
Total deferred outflows of resources	<u>242,277</u>	<u>62,735</u>	<u>305,012</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	61,927	9,577	71,504
Prepaid fees	273	-	273
Liabilities to be paid from restricted assets:			
Customer deposits	38,327	-	38,327
Compensated absences - current	21,929	3,844	25,773
Current portion of long-term debt	2,358	200	2,558
Total current liabilities	<u>124,814</u>	<u>13,621</u>	<u>138,435</u>
Non-current liabilities:			
Compensated absences - non-current	1,677	294	1,971
Non-current portion of long-term debt	524	131	655
Total OPEB liability	356,747	101,835	458,582
Net pension liability	326,679	73,637	400,316
Total non-current liabilities	<u>685,627</u>	<u>175,897</u>	<u>861,524</u>
Total liabilities	<u>810,441</u>	<u>189,518</u>	<u>999,959</u>

CITY OF ALBEMARLE, NORTH CAROLINA

DEPARTMENT OF PUBLIC HOUSING
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Department of Public Housing</u>		<u>Total</u>
	<u>Conventional</u>	<u>Section 8</u>	
Deferred Inflows of Resources:			
Pension deferrals	3,240	826	4,066
OPEB deferrals	32,192	21,461	53,653
Total deferred inflows of recourses	<u>35,432</u>	<u>22,287</u>	<u>57,719</u>
Net Position:			
Net investment in capital assets	4,749,901	49,757	4,799,658
Restricted net position for housing assistance payments	-	8,046	8,046
Unrestricted	<u>57,515</u>	<u>(89,764)</u>	<u>(32,249)</u>
Total net position	<u>\$ 4,807,416</u>	<u>\$ (31,961)</u>	<u>\$ 4,775,455</u>

CITY OF ALBEMARLE, NORTH CAROLINA

DEPARTMENT OF PUBLIC HOUSING
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Department of Public Housing</u>		<u>Total</u>
	<u>Conventional</u>	<u>Section 8</u>	
Operating Revenues:			
Rental income	\$ 519,675	\$ -	\$ 519,675
Public housing revenues	4,049	-	4,049
Total operating revenues	<u>523,724</u>	<u>-</u>	<u>523,724</u>
Operating Expenses:			
Administrative	1,200,755	193,858	1,394,613
Utilities	289,385	-	289,385
Ordinary maintenance and operation	390,775	-	390,775
General expenses	115,985	-	115,985
Housing assistance program	-	986,262	986,262
Non-routine maintenance	12,647	-	12,647
Depreciation and amortization	633,153	2,288	635,441
Total operating expenses	<u>2,642,700</u>	<u>1,182,408</u>	<u>3,825,108</u>
Operating income (loss)	<u>(2,118,976)</u>	<u>(1,182,408)</u>	<u>(3,301,384)</u>
Non-Operating Revenues (Expenses):			
Operating subsidies	705,509	1,138,776	1,844,285
Investment earnings	30,063	6,215	36,278
Interest and other charges	(88)	(4)	(92)
Other non-operating revenue	21,218	-	21,218
Total non-operating revenues	<u>756,702</u>	<u>1,144,987</u>	<u>1,901,689</u>
Income (loss) before capital contributions	(1,362,274)	(37,421)	(1,399,695)
Capital Contributions:			
Capital contributions	<u>330,506</u>	<u>-</u>	<u>330,506</u>
Change in net position	(1,031,768)	(37,421)	(1,069,189)
Net Position:			
Beginning of year, July 1	<u>5,839,184</u>	<u>5,460</u>	<u>5,844,644</u>
End of year, June 30	<u>\$ 4,807,416</u>	<u>\$ (31,961)</u>	<u>\$ 4,775,455</u>

CITY OF ALBEMARLE, NORTH CAROLINA

**DEPARTMENT OF PUBLIC HOUSING - CONVENTIONAL
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	Conventional		
	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Rental income	\$ 600,000	\$ 519,675	\$ (80,325)
Other operating revenues	39,000	4,049	(34,951)
Total operating revenues	<u>639,000</u>	<u>523,724</u>	<u>(115,276)</u>
Non-operating revenues:			
Operating subsidies	750,000	705,509	(44,491)
Interest income	12,500	30,063	17,563
Miscellaneous	-	21,218	21,218
Total non-operating revenues	<u>762,500</u>	<u>756,790</u>	<u>(5,710)</u>
Total revenues	<u>1,401,500</u>	<u>1,280,514</u>	<u>(120,986)</u>
Expenditures:			
Operating expenditures:			
Administrative		879,896	
Utilities		289,385	
Ordinary maintenance and operation		390,775	
General expenses		115,985	
Non-routine maintenance		12,647	
Total operating expenditures	<u>1,876,161</u>	<u>1,688,688</u>	<u>187,473</u>
Non-operating expenditures:			
Principal retirements		2,724	
Interest and other charges		98	
Total non-operating expenditures	<u>2,822</u>	<u>2,822</u>	<u>-</u>
Total expenditures	<u>1,878,983</u>	<u>1,691,510</u>	<u>187,473</u>
Revenues over (under) expenditures	<u>(477,483)</u>	<u>(410,996)</u>	<u>66,487</u>

CITY OF ALBEMARLE, NORTH CAROLINA

DEPARTMENT OF PUBLIC HOUSING - CONVENTIONAL
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Conventional</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
From Public Housing Capital Fund	-	30,719	30,719
Appropriated fund balance	477,483	-	(477,483)
Total other financing sources (uses)	<u>477,483</u>	<u>30,719</u>	<u>(446,764)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (380,277)</u>	<u>\$ (380,277)</u>
Reconciliation from Budgetary Basis to Full Accrual Basis:			
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ (380,277)</u>	
Depreciation and amortization		(633,153)	
Payment of debt principal		2,724	
Change in accrued interest payable		10	
Change in deferred outflows of resources - pensions		6,849	
Change in net pension liability		(21,532)	
Change in deferred inflows of resources - pensions		728	
Change in deferred outflows of resources - OPEB		(38,044)	
Change in other post-employment benefits		3,178	
Change in deferred inflows of resources - OPEB		26,466	
Change in accrued compensated absences		1,283	
Transfers from Public Housing Capital Fund		(30,719)	
Capital items not charged to capital outlay		(299,787)	
Capital contributions, revenues from Department of Public Housing - Capital Fund		<u>330,506</u>	
Change in net position		<u>\$ (1,031,768)</u>	

CITY OF ALBEMARLE, NORTH CAROLINA

DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Capital Funds</u>				
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Variance Over/Under</u>
Revenues:					
HUD grants	\$ 1,773,798	\$ 1,162,235	\$ 330,506	\$ 1,492,741	\$ (281,057)
Expenditures:					
Administrative	314,856	156,252	299,787	456,039	(141,183)
Capital outlay	1,428,223	1,005,636	-	1,005,636	422,587
Total expenditures	<u>1,743,079</u>	<u>1,161,888</u>	<u>299,787</u>	<u>1,461,675</u>	<u>281,404</u>
Revenues (under) expenditures	30,719	347	30,719	31,066	347
Other Financing Sources (Uses):					
Transfer to Public Housing Conventional	<u>(30,719)</u>	<u>-</u>	<u>(30,719)</u>	<u>(30,719)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 347</u>	<u>\$ -</u>	<u>\$ 347</u>	<u>\$ 347</u>

CITY OF ALBEMARLE, NORTH CAROLINA

DEPARTMENT OF PUBLIC HOUSING - SECTION 8
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	Section 8		
	Budget	Actual	Variance Over/Under
Revenues:			
Non-Operating Revenues:			
Operating subsidies	\$ 1,181,357	\$ 1,138,776	\$ (42,581)
Interest income	2,000	6,215	4,215
Miscellaneous	10,000	-	(10,000)
Total non-operating revenues	<u>1,193,357</u>	<u>1,144,991</u>	<u>(48,366)</u>
Total revenues	<u>1,193,357</u>	<u>1,144,991</u>	<u>(48,366)</u>
Expenditures:			
Operating expenditures:			
Administrative		184,329	
Housing assistance program		986,262	
Total operating expenditures	<u>1,193,225</u>	<u>1,170,591</u>	<u>22,634</u>
Non-operating expenditures:			
Principal retirements		128	
Interest and other charges		4	
Total non-operating expenditures	<u>132</u>	<u>132</u>	<u>-</u>
Total expenditures	<u>1,193,357</u>	<u>1,170,723</u>	<u>22,634</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (25,732)</u>	<u>\$ (25,732)</u>
Reconciliation from Budgetary Basis to Full Accrual Basis:			
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ (25,732)</u>	
Depreciation and amortization		(2,288)	
Payment of debt principal		128	
Change in deferred outflows of resources - pensions		4,566	
Change in net pension liability		(14,355)	
Change in deferred inflows of resources - pensions		485	
Change in deferred outflows of resources - OPEB		9,445	
Change in other post-employment benefits		2,119	
Change in deferred inflows of resources - OPEB		(11,420)	
Change in accrued compensated absences		<u>(369)</u>	
Change in net position		<u>\$ (37,421)</u>	



ALBEMARLE
NORTH CAROLINA
Water. Air. Land. Opportunity.

INTERNAL SERVICE FUND

The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

Health Insurance Fund – This fund accounts for amounts from individual departments and employees to pay for health insurance claims and premiums.



ALBEMARLE
NORTH CAROLINA
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CITY OF ALBEMARLE, NORTH CAROLINA

HEALTH INSURANCE INTERNAL SERVICE FUND
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Interfund charges	\$ 2,975,580	\$ 2,937,143	\$ (38,437)
Employee contributions	319,572	382,824	63,252
Other operating revenues	-	171,049	171,049
Total operating revenues	<u>3,295,152</u>	<u>3,491,016</u>	<u>195,864</u>
Non-operating revenues:			
Interest earned on investments	-	35,174	35,174
Total revenues	<u>3,295,152</u>	<u>3,526,190</u>	<u>231,038</u>
Expenditures:			
Operating expenditures:			
Health benefit claims and premiums	3,111,252	4,327,432	(1,216,180)
Other operating expenditures	183,900	229,377	(45,477)
Total expenditures	<u>3,295,152</u>	<u>4,556,809</u>	<u>(1,261,657)</u>
Revenues over (under) expenditures	-	(1,030,619)	(1,030,619)
Other Financing Sources (Uses):			
Transfers (to) from other funds:			
To General Fund	(35,000)	(35,000)	-
Appropriated fund balance	35,000	-	(35,000)
Total other financing sources (uses)	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(1,065,619)</u>	<u>\$ (1,065,619)</u>
Reconciliation from Budgetary Basis to Full Accrual Basis:			
Reconciling items:			
Increase in health benefit claims payable		<u>(35,490)</u>	
Change in net position		<u>\$ (1,101,109)</u>	



ALBEMARLE
NORTH CAROLINA
Water. Air. Land. Opportunity.

OTHER SCHEDULES

This section includes additional information on property taxes and public housing programs.

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy

Supplemental Financial Data Schedule – Public Housing Programs

Statement of Completed Modernization Costs



ALBEMARLE
NORTH CAROLINA
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CITY OF ALBEMARLE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2024

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2023</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2023-2024	\$ -	\$ 8,716,321	\$ 8,567,493	\$ 148,828
2022-2023	140,236	94	64,032	76,298
2021-2022	74,301	-	19,916	54,385
2020-2021	54,028	-	11,133	42,895
2019-2020	40,762	-	6,208	34,554
2018-2019	59,410	-	5,768	53,642
2017-2018	26,407	-	4,770	21,637
2016-2017	38,262	-	3,464	34,798
2015-2016	19,497	-	3,346	16,151
2014-2015	17,649	-	4,137	13,512
2013-2014	31,936	-	31,936	-
Total	<u>\$ 502,488</u>	<u>\$ 8,716,415</u>	<u>\$ 8,722,203</u>	496,700
Less: allowance for uncollectible accounts				
Ad valorem taxes receivable				<u>(356,651)</u>
Ad valorem taxes receivable - net				140,049
Municipal service district taxes receivable - net				<u>1,510</u>
Total taxes receivable - net				<u>\$ 141,559</u>
Reconciliation with Revenues:				
Ad valorem taxes collected - General Fund			\$ 8,764,359	
Municipal service district collections			(71,696)	
Discounts allowed			57,899	
Releases and adjustments			576	
Taxes written off			29,513	
Late listing penalties			(674)	
Interest collected			<u>(57,774)</u>	
Total collections and credits			<u>\$ 8,722,203</u>	

CITY OF ALBEMARLE, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
CITY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2024

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current rate	\$ 1,428,616,387	\$ 0.61	\$ 8,714,560	\$ 7,540,191	\$ 1,174,369
Discoveries:					
Current and prior years	4,750,082	0.61	28,976	28,976	-
Abatements	<u>(4,461,462)</u>	0.61	<u>(27,215)</u>	<u>(14,610)</u>	<u>(12,605)</u>
Total valuation	<u>\$ 1,428,905,007</u>				
Net Levy			8,716,321	7,554,557	1,161,764
Uncollected taxes at June 30, 2024			<u>(148,828)</u>	<u>(148,828)</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 8,567,493</u>	<u>\$ 7,405,729</u>	<u>\$ 1,161,764</u>
Current Levy Collection Percentage			<u>98.29%</u>	<u>98.03%</u>	<u>100.00%</u>

Total levy includes only those taxes levied on a unit-wide basis and, therefore, does not include the Municipal Service District.

CITY OF ALBEMARLE, NORTH CAROLINA

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
PUBLIC HOUSING PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2024

Line Item	Account Description	Low Rent Public Housing 14,850	Housing Choice Vouchers 14,871	Public Housing Capital Fund 14,872
Assets:				
Current Assets:				
Cash:				
111	Cash - unrestricted	\$ 279,273	\$ 59,046	\$ 347
112	Cash - restricted - modernization and development	241,236	-	-
113	Cash - other restricted	21,105	8,046	-
114	Cash - tenant security deposits	38,327	-	-
100	Total cash	<u>579,941</u>	<u>67,092</u>	<u>347</u>
Accounts and notes receivable:				
122	Accounts receivable - HUD other projects	-	-	10,895
126	Accounts receivable - tenants - dwelling units	69,104	-	-
126.1	Allowance for doubtful accounts - dwelling units	(1,654)	-	-
120	Total receivables	<u>67,450</u>	<u>-</u>	<u>10,895</u>
150	Total current assets	<u>647,391</u>	<u>67,092</u>	<u>11,242</u>
Non-current assets:				
161	Land	163,505	-	-
162	Buildings	13,315,824	79,244	-
163	Furniture, equipment, machinery - dwellings	306,174	-	-
164	Furniture, equipment, machinery - administration	500,957	25,981	-
165	Leasehold improvements	1,280,619	-	-
166	Accumulated depreciation	(10,817,015)	(55,495)	-
174	Other assets	2,315	287	-
180	Total non-current assets	<u>4,752,379</u>	<u>50,017</u>	<u>-</u>
190	Total assets	<u>5,399,770</u>	<u>117,109</u>	<u>11,242</u>
200	Deferred Outflows of Resources	<u>242,277</u>	<u>62,735</u>	<u>-</u>
290	Total assets and deferred outflows of resources	<u>\$ 5,642,047</u>	<u>\$ 179,844</u>	<u>\$ 11,242</u>
Liabilities and Equity:				
Liabilities:				
Current Liabilities:				
312	Accounts payable (less than or equal to 90 days)	\$ 43,782	\$ 6,905	\$ 10,895
321	Accrued wage/payroll taxes payable	7,250	2,672	-
322	Accrued compensated absences	21,929	3,844	-
341	Tenant security deposits	38,327	-	-
342	Unearned revenue	273	-	-
343	Current portion of long-term debt - capital projects/mortgage revenue	1,954	129	-
345	Other current liabilities	404	71	-
310	Total current liabilities	<u>113,919</u>	<u>13,621</u>	<u>10,895</u>

CITY OF ALBEMARLE, NORTH CAROLINA

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
PUBLIC HOUSING PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2024

Line Item	Account Description	Low Rent Public Housing 14,850	Housing Choice Vouchers 14,871	Public Housing Capital Fund 14,872
	Non-current liabilities:			
354	Accrued compensated absences - non-current	1,677	294	-
357	Accrued pension and OPEB liabilities	683,426	175,472	-
351	Long-term debt, net of current-capital projects/ mortgage revenue bonds	524	131	-
350	Total non-current liabilities	685,627	175,897	-
300	Total liabilities	799,546	189,518	10,895
400	Deferred Inflows of Resources	35,432	22,287	-
	Equity:			
	Contributed capital:			
508.4	Net investment in capital assets	4,749,901	49,757	-
511.4	Restricted net position	-	8,046	-
512.4	Unrestricted net position	57,168	(89,764)	347
513	Total equity	4,807,069	(31,961)	347
600	Total liabilities, deferred inflows of resources and equity	\$ 5,642,047	\$ 179,844	\$ 11,242
	Revenues:			
70300	Net tenant rental revenue	\$ 519,675	\$ -	\$ -
70400	Tenant revenue - other	4,049	-	-
70600	HUD PHA operating grants	705,509	1,138,776	330,506
71100	Investment income - unrestricted	30,063	6,215	-
71500	Other income	21,218	-	-
70000	Total revenues	1,280,514	1,144,991	330,506
	Expenses:			
	Administrative:			
91100	Administrative salaries	400,406	66,629	-
91200	Auditing fees	10,064	2,657	-
91500	Employee benefit contributions	158,338	32,450	-
91600	Office expenses	250,320	70,585	-
91700	Legal expenses	832	-	-
91800	Travel	141	-	-
91900	Other	91,062	-	9,031
91000	Total operating - administrative	911,163	172,321	9,031
93100	Water	44,113	-	-
93200	Electricity	191,140	-	-
93600	Sewer	54,132	-	-
93000	Total utilities	289,385	-	-
94200	Ordinary maintenance and operations - materials and other	33,117	18,627	-
94300	Ordinary maintenance and operations - contract costs	357,658	-	290,756
94000	Total maintenance	390,775	18,627	290,756

CITY OF ALBEMARLE, NORTH CAROLINA

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
PUBLIC HOUSING PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2024

Line Item	Account Description	Low Rent Public Housing 14,850	Housing Choice Vouchers 14,871	Public Housing Capital Fund 14,872
96110	Property insurance	80,611	506	-
96130	Workmen's compensation	8,121	2,210	-
96100	Total insurance premiums	88,732	2,716	-
96200	Other general expenses	-	194	-
96400	Bad debt - tenant rents	(10,195)	-	-
96000	Total other general expenses	(10,195)	194	-
96720	Interest on notes payable	88	4	-
96700	Total interest expense and amortization cost	88	4	-
96900	Total operating expenses	1,669,948	193,862	299,787
97000	Excess of operating revenues over expenditures	(389,434)	951,129	30,719
97100	Extraordinary maintenance	12,647	-	-
97200	Casualty losses - non-capitalized	27,253	-	-
97300	Housing assistance payments	-	986,262	-
97350	HAP Portability-In	-	-	-
97400	Depreciation expense	633,153	2,288	-
90000	Total expenses	2,343,001	1,182,412	299,787
10010	Operating transfer in	30,719	-	-
10020	Operating transfer out	-	-	(30,719)
10000	Excess (deficiency) of total revenue over (under) total expenses	(1,031,768)	(37,421)	-
11030	Beginning equity	5,838,837	5,460	347
	Ending equity	\$ 4,807,069	\$ (31,961)	\$ 347
	Memo information:			
11170	Administrative fee equity	\$ -	\$ (30,839)	\$ -
11180	Housing assistance payments equity	-	8,046	-
11190	Unit months available	2,375	4,056	-
11210	Number of unit months leased	1,783	1,942	-

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-10
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-10 are as follows:

	<u>Total</u>
Funds approved	\$ 352,334
Funds expended	<u>352,334</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 352,334
Funds expended	<u>352,334</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-11
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-11 are as follows:

	<u>Total</u>
Funds approved	\$ 299,489
Funds expended	<u>299,489</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 299,489
Funds expended	<u>299,489</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-12
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-12 are as follows:

	<u>Total</u>
Funds approved	\$ 264,556
Funds expended	<u>264,556</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 264,556
Funds expended	<u>264,556</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-14
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-14 are as follows:

	<u>Total</u>
Funds approved	\$ 287,284
Funds expended	<u>287,284</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 287,284
Funds expended	<u>287,284</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-15
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-15 are as follows:

	<u>Total</u>
Funds approved	\$ 292,217
Funds expended	<u>292,217</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 292,217
Funds expended	<u>292,217</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-16
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-16 are as follows:

	<u>Total</u>
Funds approved	\$ 299,940
Funds expended	<u>299,940</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 299,940
Funds expended	<u>299,940</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-17
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-17 are as follows:

	<u>Total</u>
Funds approved	\$ 318,021
Funds expended	<u>318,021</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 318,021
Funds expended	<u>318,021</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-18
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-18 are as follows:

	<u>Total</u>
Funds approved	\$ 487,736
Funds expended	<u>487,736</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 487,736
Funds expended	<u>487,736</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

CITY OF ALBEMARLE, NORTH CAROLINA

**STATEMENT OF COMPLETED MODERNIZATION COSTS
DEPARTMENT OF PUBLIC HOUSING - CAPITAL FUND -
ANNUAL CONTRIBUTIONS CONTRACT NC19P075501-19
FOR THE YEAR ENDED JUNE 30, 2024**

1. The actual modernization costs of Contract NC19P075501-19 are as follows:

	<u>Total</u>
Funds approved	\$ 506,956
Funds expended	<u>506,956</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds advanced HUD grants	\$ 506,956
Funds expended	<u>506,956</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. Costs audited during the current audit period totaled \$0.

3. All costs have been paid and all related liabilities have been discharged through payment.

4. The Actual Modernization Cost Certificate, filed with HUD, is in agreement with the City's records.

STATISTICAL SECTION

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

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

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City's ability to generate electric revenues and property taxes.

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

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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

CITY OF ALBEMARLE, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net Investment in capital assets	\$ 14,001,213	\$ 14,015,366	\$ 15,988,670	\$ 16,249,532	\$ 17,339,345
Restricted	1,577,201	1,985,738	2,901,081	2,490,055	3,252,404
Unrestricted	3,474,113	4,123,830	629,614	(4,398,116)	(3,956,202)
Total governmental activities net position	\$ 19,052,527	\$ 20,124,934	\$ 19,519,365	\$ 14,341,471	\$ 16,635,547
Business-type activities					
Net Investment in capital assets	\$ 42,422,961	\$ 44,464,743	\$ 45,170,225	\$ 44,690,542	\$ 46,944,504
Restricted	-	-	-	-	-
Unrestricted	4,785,416	5,612,826	6,176,526	7,717,984	9,372,711
Total business-type activities net position	\$ 47,208,377	\$ 50,077,569	\$ 51,346,751	\$ 52,408,526	\$ 56,317,215
Primary government					
Net Investment in capital assets	\$ 56,424,174	\$ 58,480,109	\$ 61,158,895	\$ 60,940,074	\$ 64,283,849
Restricted	1,577,201	1,985,738	2,901,081	2,490,055	3,252,404
Unrestricted	8,259,529	9,736,656	6,806,140	3,319,868	5,416,509
Total primary government net position	\$ 66,260,904	\$ 70,202,503	\$ 70,866,116	\$ 66,749,997	\$ 72,952,762

CITY OF ALBEMARLE, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental activities					
Net Investment in capital assets	\$ 17,195,672	\$ 18,922,602	\$ 20,689,725	\$ 24,515,936	\$ 30,017,639
Restricted	4,210,437	2,477,871	2,659,971	3,519,287	5,391,204
Unrestricted	(3,930,946)	(1,477,464)	2,866,317	3,675,885	(1,949,101)
Total governmental activities net position	\$ 17,475,163	\$ 19,923,009	\$ 26,216,013	\$ 31,711,108	\$ 33,459,742
Business-type activities					
Net Investment in capital assets	\$ 47,190,373	\$ 46,804,613	\$ 46,440,593	\$ 48,203,925	\$ 50,504,880
Restricted	-	63,964	22,717	84,913	8,046
Unrestricted	17,141,018	26,157,644	24,056,878	20,855,903	22,033,329
Total business-type activities net position	\$ 64,331,391	\$ 73,026,221	\$ 70,520,188	\$ 69,144,741	\$ 72,546,255
Primary government					
Net Investment in capital assets	\$ 64,386,045	\$ 65,727,215	\$ 67,130,318	\$ 72,719,861	\$ 80,522,519
Restricted	4,210,437	2,541,835	2,682,688	3,604,200	5,399,250
Unrestricted	13,210,072	24,680,180	26,923,195	24,531,788	20,084,228
Total primary government net position	\$ 81,806,554	\$ 92,949,230	\$ 96,736,201	\$ 100,855,849	\$ 106,005,997

CITY OF ALBEMARLE, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 1,591,598	\$ 1,954,727	\$ 2,480,395	\$ 1,807,621	\$ 2,017,511
Public safety	7,150,819	7,772,694	7,877,876	7,740,486	8,021,031
Public works	2,036,115	2,867,886	3,167,899	3,362,049	3,370,980
Environmental protection	940,066	-	-	-	-
Economic and physical development	68,283	-	-	-	-
Culture and recreation	1,410,222	1,463,717	1,531,121	1,575,332	1,674,492
Interest on long-term debt	86,493	93,070	64,556	103,013	113,325
Total governmental activities expenses	<u>13,283,596</u>	<u>14,152,094</u>	<u>15,121,847</u>	<u>14,588,501</u>	<u>15,197,339</u>
Business-type activities:					
Water and sewer	7,426,506	8,648,339	9,278,188	9,748,310	9,779,782
Electric	34,617,760	32,628,604	32,943,240	31,976,701	30,402,233
Landfill	3,069,545	3,002,061	2,439,400	2,394,236	2,649,616
Department of public housing	2,982,647	3,116,509	3,030,163	3,345,221	3,283,349
Total business-type activities	<u>48,096,458</u>	<u>47,395,513</u>	<u>47,690,991</u>	<u>47,464,468</u>	<u>46,114,980</u>
Total primary governmental expenses	<u>\$ 61,380,054</u>	<u>\$ 61,547,607</u>	<u>\$ 62,812,838</u>	<u>\$ 62,052,969</u>	<u>\$ 61,312,319</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 20,973	\$ 14,268	\$ 13,856	\$ 27,704	\$ 29,154
Public safety	28,754	33,698	27,287	28,853	78,641
Public works	1,087,367	1,267,508	1,275,629	1,441,848	1,471,735
Culture and recreation	111,001	100,530	92,536	115,401	121,015
Operating grants and contributions	66,402	676,998	652,466	713,243	1,243,810
Capital grants and contributions	949,567	562,622	1,180,418	23,941	15,968
Total governmental activities program revenues	<u>\$ 2,264,064</u>	<u>\$ 2,655,624</u>	<u>\$ 3,242,192</u>	<u>\$ 2,350,990</u>	<u>\$ 2,960,323</u>
Business-type activities:					
Charges for services:					
Water and sewer	7,698,198	9,448,941	10,248,254	10,778,526	10,195,261
Electric	34,904,849	33,553,769	33,503,443	34,105,982	32,561,229
Landfill	2,462,101	2,874,421	2,762,869	2,897,365	2,891,829
Department of public housing	525,186	570,760	532,104	531,934	618,281
Operating grants and contributions	1,931,665	1,895,994	2,072,475	2,215,583	2,383,012
Capital grants and contributions	236,464	417,681	385,270	206,329	2,458,033
Total business-type activities program revenues	<u>47,758,463</u>	<u>48,761,566</u>	<u>49,504,415</u>	<u>50,735,719</u>	<u>51,107,645</u>
Total primary governmental program revenues	<u>\$ 50,022,527</u>	<u>\$ 51,417,190</u>	<u>\$ 52,746,607</u>	<u>\$ 53,086,709</u>	<u>\$ 54,067,968</u>
Net (expense)/revenue					
Governmental activities	\$ (11,019,532)	\$ (11,496,470)	\$ (11,879,655)	\$ (12,237,511)	\$ (12,237,016)
Business-type activities	(337,995)	1,366,053	1,813,424	3,271,251	4,992,665
Total primary governmental net expense	<u>\$ (11,357,527)</u>	<u>\$ (10,130,417)</u>	<u>\$ (10,066,231)</u>	<u>\$ (8,966,260)</u>	<u>\$ (7,244,351)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Ad valorem taxes	\$ 5,942,627	\$ 5,938,844	\$ 6,075,216	\$ 6,218,480	\$ 6,873,954
Other taxes	4,776,561	5,110,887	5,397,619	5,678,176	5,945,536
Unrestricted interest earned on investments	2,185	7,614	17,090	46,992	209,123
Miscellaneous	72,132	168,849	208,081	166,303	-
Transfers in (out)	1,240,000	1,091,727	907,319	793,152	1,502,479
Special item	-	-	(227,361)	-	-
Total governmental activities	<u>12,033,505</u>	<u>12,317,921</u>	<u>12,377,964</u>	<u>12,903,103</u>	<u>14,531,092</u>
Business-type activities:					
Other taxes	-	-	142,620	169,766	149,002
Unrestricted interest earned on investments	57,763	9,586	17,254	69,370	269,501
Miscellaneous	280,781	209,570	203,203	130,662	-
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers in (out)	(1,240,000)	(1,091,727)	(907,319)	(793,152)	(1,502,479)
Total business-type activities	<u>(901,456)</u>	<u>(872,571)</u>	<u>(544,242)</u>	<u>(423,354)</u>	<u>(1,083,976)</u>
Total primary government	<u>\$ 11,132,049</u>	<u>\$ 11,445,350</u>	<u>\$ 11,833,722</u>	<u>\$ 12,479,749</u>	<u>\$ 13,447,116</u>
Change in net position					
Governmental activities	\$ 1,013,973	\$ 821,451	\$ 498,309	\$ 665,592	\$ 2,294,076
Business-type activities	(1,239,451)	493,482	1,269,182	2,847,897	3,908,689
Total primary government	<u>\$ (225,478)</u>	<u>\$ 1,314,933</u>	<u>\$ 1,767,491</u>	<u>\$ 3,513,489</u>	<u>\$ 6,202,765</u>

CITY OF ALBEMARLE, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	\$ 2,198,065	\$ 2,380,927	\$ 2,449,079	\$ 3,496,483	\$ 4,515,856
Public safety	8,278,010	8,892,702	9,496,349	10,683,661	11,603,257
Public works	3,512,821	3,702,465	3,483,079	3,669,740	5,487,429
Environmental protection	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Culture and recreation	1,727,843	2,005,322	2,065,318	2,289,668	2,489,321
Interest on long-term debt	228,266	218,097	222,968	236,296	210,657
Total governmental activities expenses	<u>15,945,005</u>	<u>17,199,513</u>	<u>17,716,793</u>	<u>20,375,848</u>	<u>24,306,520</u>
Business-type activities:					
Water and sewer	10,430,343	11,245,258	11,683,027	13,239,960	14,364,189
Electric	29,139,058	29,245,973	29,947,512	27,998,233	27,615,333
Landfill	2,710,198	3,030,606	3,333,178	5,723,160	3,736,770
Department of public housing	3,308,139	2,913,537	3,171,370	3,520,891	3,878,773
Total business-type activities	<u>45,587,738</u>	<u>46,435,374</u>	<u>48,135,087</u>	<u>50,482,244</u>	<u>49,595,065</u>
Total primary governmental expenses	<u>\$ 61,532,743</u>	<u>\$ 63,634,887</u>	<u>\$ 65,851,880</u>	<u>\$ 70,858,092</u>	<u>\$ 73,901,585</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 26,842	\$ 34,049	\$ 58,755	\$ 19,067	\$ 91,324
Public safety	59,939	52,395	82,700	83,994	156,596
Public works	1,618,373	1,680,135	1,733,950	1,832,126	1,948,608
Culture and recreation	98,094	151,040	214,230	244,019	244,010
Operating grants and contributions	949,797	1,687,527	1,080,611	4,686,156	3,227,967
Capital grants and contributions	-	558,426	228	334,089	1,081,464
Total governmental activities program revenues	<u>\$ 2,753,045</u>	<u>\$ 4,163,572</u>	<u>\$ 3,170,474</u>	<u>\$ 7,199,451</u>	<u>\$ 6,749,969</u>
Business-type activities:					
Charges for services:					
Water and sewer	10,853,331	11,841,865	12,831,674	14,134,344	15,825,345
Electric	30,952,909	30,802,011	30,779,633	29,594,219	30,113,064
Landfill	3,160,357	3,311,887	3,317,300	3,193,190	3,922,120
Department of public housing	591,006	642,311	689,151	651,172	544,942
Operating grants and contributions	2,257,673	2,311,502	1,761,372	1,742,406	1,844,285
Capital grants and contributions	1,341,887	1,057,016	1,015,296	156,962	330,506
Total business-type activities program revenues	<u>49,157,163</u>	<u>49,966,592</u>	<u>50,394,426</u>	<u>49,472,293</u>	<u>52,580,262</u>
Total primary governmental program revenues	<u>\$ 51,910,208</u>	<u>\$ 54,130,164</u>	<u>\$ 53,564,900</u>	<u>\$ 56,671,744</u>	<u>\$ 59,330,231</u>
Net (expense)/revenue					
Governmental activities	\$ (13,191,960)	\$ (13,035,941)	\$ (14,546,319)	\$ (13,176,397)	\$ (17,556,551)
Business-type activities	3,569,425	3,531,218	2,259,339	(1,009,951)	2,985,197
Total primary governmental net expense	<u>\$ (9,622,535)</u>	<u>\$ (9,504,723)</u>	<u>\$ (12,286,980)</u>	<u>\$ (14,186,348)</u>	<u>\$ (14,571,354)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Ad valorem taxes	\$ 6,896,760	\$ 7,110,853	\$ 7,768,822	\$ 8,307,753	\$ 8,733,467
Other taxes	6,080,187	6,846,413	7,724,023	8,223,418	8,565,201
Unrestricted interest earned on investments	197,169	(11,517)	(15,204)	724,977	840,836
Miscellaneous	-	-	-	-	-
Transfers in (out)	857,460	1,538,038	5,361,682	1,415,344	1,165,681
Special item	-	-	-	-	-
Total governmental activities	<u>14,031,576</u>	<u>15,483,787</u>	<u>20,839,323</u>	<u>18,671,492</u>	<u>19,305,185</u>
Business-type activities:					
Other taxes	120,604	208,511	173,116	228,495	205,199
Unrestricted interest earned on investments	230,984	45,744	(43,703)	821,353	1,376,799
Miscellaneous	4,950,623	6,447,395	2,350	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers in (out)	(857,460)	(1,538,038)	(5,361,682)	(1,415,344)	(1,165,681)
Total business-type activities	<u>4,444,751</u>	<u>5,163,612</u>	<u>(5,229,919)</u>	<u>(365,496)</u>	<u>416,317</u>
Total primary government	<u>\$ 18,476,327</u>	<u>\$ 20,647,399</u>	<u>\$ 15,609,404</u>	<u>\$ 18,305,996</u>	<u>\$ 19,721,502</u>
Change in net position					
Governmental activities	\$ 839,616	\$ 2,447,846	\$ 6,293,004	\$ 5,495,095	\$ 1,748,634
Business-type activities	8,014,176	8,694,830	(2,970,580)	(1,375,447)	3,401,514
Total primary government	<u>\$ 8,853,792</u>	<u>\$ 11,142,676</u>	<u>\$ 3,322,424</u>	<u>\$ 4,119,648</u>	<u>\$ 5,150,148</u>

CITY OF ALBEMARLE, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund					
Non-spendable	\$ 78,870	\$ 234,821	\$ 45,878	\$ 85,500	\$ 82,451
Restricted	2,628,727	1,985,738	1,876,068	1,913,597	1,988,109
Committed	-	1,164,823	486,965	-	-
Assigned	37,300	-	333,780	250,000	427,737
Unassigned	5,095,966	5,385,079	4,360,976	4,323,699	4,760,370
Total General Fund	<u>\$ 7,840,863</u>	<u>\$ 8,770,461</u>	<u>\$ 7,103,667</u>	<u>\$ 6,572,796</u>	<u>\$ 7,258,667</u>
All other governmental funds					
Restricted	\$ 24,185	\$ -	\$ -	\$ 576,458	\$ 1,264,295
Committed	-	(11,722)	633,582	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 24,185</u>	<u>\$ (11,722)</u>	<u>\$ 633,582</u>	<u>\$ 576,458</u>	<u>\$ 1,264,295</u>

CITY OF ALBEMARLE, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
General Fund					
Non-spendable	\$ 30,928	\$ 86,392	\$ 71,021	\$ 36,442	\$ 71,268
Restricted	2,612,957	2,477,871	2,659,971	3,156,190	4,027,035
Committed	-	-	-	-	-
Assigned	643,832	338,305	300,726	500,726	1,516,516
Unassigned	5,324,773	7,569,126	6,235,439	8,060,083	8,993,481
Total General Fund	<u>\$ 8,612,490</u>	<u>\$ 10,471,694</u>	<u>\$ 9,267,157</u>	<u>\$ 11,753,441</u>	<u>\$ 14,608,300</u>
All other governmental funds					
Restricted	\$ 1,597,480	\$ -	\$ 800,000	\$ 1,155,462	\$ 1,373,432
Committed	-	1,325,800	7,051,374	7,322,314	2,415,918
Assigned	-	-	-	-	-
Unassigned	-	-	-	(29,008)	(972,734)
Total all other governmental funds	<u>\$ 1,597,480</u>	<u>\$ 1,325,800</u>	<u>\$ 7,851,374</u>	<u>\$ 8,448,768</u>	<u>\$ 2,816,616</u>

CITY OF ALBEMARLE, NORTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues					
Ad valorem taxes	\$ 5,990,284	\$ 5,984,454	\$ 6,101,473	\$ 6,260,114	\$ 6,904,421
Other taxes and licenses	298,590	204,587	229,951	242,641	258,542
Unrestricted intergovernmental	4,477,971	4,906,300	5,167,668	5,435,535	5,686,994
Restricted intergovernmental	1,016,828	1,237,190	928,156	717,804	762,944
Permits and fees	49,277	47,539	40,826	56,409	53,489
Sales and services	1,221,657	1,368,465	1,368,482	1,557,397	1,551,257
Investment earnings	2,185	7,614	17,090	46,992	187,703
Miscellaneous	112,210	221,472	214,689	203,884	620,760
Total revenues	<u>13,169,002</u>	<u>13,977,621</u>	<u>14,068,335</u>	<u>14,520,776</u>	<u>16,026,110</u>
Expenditures					
General government	1,489,113	1,996,872	4,036,398	1,692,325	1,654,740
Public safety	7,077,655	7,355,402	8,253,389	7,982,448	7,672,526
Public works	1,857,988	3,076,021	2,875,905	3,168,184	3,044,477
Environmental protection	940,066	-	-	-	-
Economic and physical development	68,283	-	-	-	-
Culture and recreation	1,253,103	1,267,422	1,398,318	1,683,416	1,425,700
Capital outlay	126,623	672,424	827,485	167,791	1,922,561
Debt service					
Principal retirement	290,318	366,507	505,182	613,758	611,197
Interest and other charges	86,493	79,943	65,439	107,036	104,638
Total expenditures	<u>13,189,642</u>	<u>14,814,591</u>	<u>17,962,116</u>	<u>15,414,958</u>	<u>16,435,839</u>
Excess of revenues over (under) expenditures	(20,640)	(836,970)	(3,893,781)	(894,182)	(409,729)
Other financing sources (uses)					
Transfers from other funds	1,551,230	1,218,985	2,138,199	923,152	2,833,824
Transfers to other funds	(311,230)	(127,258)	(1,230,880)	(616,965)	(1,331,345)
Proceeds from debt	-	638,934	1,964,972	-	266,958
Lease liabilities issued	-	-	-	-	-
Subscription liabilities issued	-	-	-	-	-
Sales of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>1,240,000</u>	<u>1,730,661</u>	<u>2,872,291</u>	<u>306,187</u>	<u>1,769,437</u>
Net change in fund balances	<u>\$ 1,219,360</u>	<u>\$ 893,691</u>	<u>\$ (1,021,490)</u>	<u>\$ (587,995)</u>	<u>\$ 1,359,708</u>
Debt services as a percentage of noncapital expenditures	2.9%	3.2%	3.3%	4.7%	4.9%

CITY OF ALBEMARLE, NORTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Revenues					
Ad valorem taxes	\$ 6,944,587	\$ 7,222,497	\$ 7,828,083	\$ 8,364,278	\$ 8,764,359
Other taxes and licenses	227,958	292,228	304,087	430,986	407,099
Unrestricted intergovernmental	5,852,229	6,554,185	7,419,936	7,792,432	8,158,102
Restricted intergovernmental	905,435	1,505,998	953,254	4,694,344	3,229,819
Permits and fees	59,018	50,042	61,051	72,006	85,597
Sales and services	1,666,111	1,764,463	1,885,449	1,991,495	2,142,311
Investment earnings	187,999	(12,068)	(27,156)	682,516	805,662
Miscellaneous	200,010	581,013	269,920	387,913	1,121,283
Total revenues	<u>16,043,347</u>	<u>17,958,358</u>	<u>18,694,624</u>	<u>24,415,970</u>	<u>24,714,232</u>
Expenditures					
General government	1,744,483	1,955,278	2,045,923	2,510,815	2,957,318
Public safety	7,639,503	8,464,296	9,211,218	9,858,653	10,599,365
Public works	3,047,002	3,375,590	3,238,608	3,177,777	4,621,298
Environmental protection	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Culture and recreation	1,418,176	2,013,950	2,217,297	1,873,160	2,026,190
Capital outlay	5,160,439	1,158,185	2,446,107	4,708,899	7,487,813
Debt service					
Principal retirement	531,041	719,454	701,333	961,159	782,916
Interest and other charges	199,040	222,119	224,894	228,189	217,306
Total expenditures	<u>19,739,684</u>	<u>17,908,872</u>	<u>20,085,380</u>	<u>23,318,652</u>	<u>28,692,206</u>
Excess of revenues over (under) expenditures	(3,696,337)	49,486	(1,390,756)	1,097,318	(3,977,974)
Other financing sources (uses)					
Transfers from other funds	1,097,031	2,398,606	9,327,787	7,331,487	4,026,049
Transfers to other funds	(239,571)	(860,568)	(3,915,682)	(5,881,143)	(2,825,368)
Proceeds from debt	4,539,885	-	991,957	-	-
Lease liabilities issued	-	-	-	422,202	-
Subscription liabilities issued	-	-	-	113,814	-
Sales of capital assets	-	-	312,766	-	-
Total other financing sources (uses)	<u>5,397,345</u>	<u>1,538,038</u>	<u>6,716,828</u>	<u>1,986,360</u>	<u>1,200,681</u>
Net change in fund balances	<u>\$ 1,701,008</u>	<u>\$ 1,587,524</u>	<u>\$ 5,326,072</u>	<u>\$ 3,083,678</u>	<u>\$ (2,777,293)</u>
Debt services as a percentage of noncapital expenditures	5.0%	5.6%	5.3%	6.4%	4.7%

CITY OF ALBEMARLE, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Motor Vehicle Fee	Sales Tax	Franchise Tax	Occupancy Tax
2015	\$ 5,990,284	\$ -	\$ 3,026,163	\$ 1,375,956	\$ 124,223
2016	5,779,023	51,110	3,213,145	1,385,955	131,250
2017	5,947,003	66,475	3,498,266	1,356,078	135,886
2018	6,085,109	66,145	3,706,789	1,356,314	148,354
2019	6,724,573	67,140	3,921,882	1,365,508	157,362
2020	6,816,579	67,725	4,105,580	1,334,844	131,242
2021	7,068,672	128,375	4,757,248	1,324,110	132,376
2022	7,828,083	140,795	5,478,620	1,320,705	136,281
2023	8,364,278	148,610	5,897,735	1,370,349	235,741
2024	8,764,359	208,240	6,114,985	1,432,386	156,131

CITY OF ALBEMARLE, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Vehicle Lease Tax	Privilege License Tax	Beer & Wine Tax	Drug Tax	Total
2015	\$ 20,117	\$ 154,250	\$ 75,852	\$ 10,087	\$ 10,776,932
2016	20,983	765	70,199	14,766	10,667,196
2017	25,381	793	72,324	6,574	11,108,779
2018	24,063	1,055	69,824	31,878	11,489,531
2019	34,040	-	69,604	20,344	12,360,453
2020	28,041	950	69,419	29,714	12,584,094
2021	31,012	465	67,827	15,761	13,525,846
2022	26,981	30	65,235	17,185	15,013,914
2023	46,620	15	74,348	15,913	16,153,609
2024	42,563	165	80,731	13,621	16,813,181

Table 6

**CITY OF ALBEMARLE, NORTH CAROLINA
NUMBER OF ELECTRIC CUSTOMERS BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Residential	Commercial	Industrial	Security Light	Total
2015	9,781	2,197	13	2,838	14,829
2016	9,845	2,108	13	2,847	14,813
2017	9,922	2,232	15	2,902	15,071
2018	9,889	2,229	13	2,870	15,001
2019	9,929	2,221	13	2,900	15,063
2020	10,075	2,237	13	2,943	15,268
2021	10,277	2,249	12	3,001	15,539
2022	10,400	2,269	12	3,067	15,748
2023	10,642	2,297	12	3,082	16,033
2024	11,501	2,373	12	3,202	17,088

Source: City of Albemarle Finance and Utilities Department



ALBEMARLE
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CITY OF ALBEMARLE, NORTH CAROLINA
ELECTRIC RATES
LAST TEN FISCAL YEARS

	Fiscal Year				
	2015	2016	2017	2018	2019
Residential Customers					
<i>Residential Service-RS</i>					
Basic Facilities Charge	12.370000	12.170000	12.170000	12.170000	12.170000
First 500 kWh used	0.114990	0.113150	0.113150	0.108620	0.108620
All over 500 kWh used	0.121930	0.119980	0.119980	0.115180	0.115180
<i>Residential All Electric Service-RE</i>					
Basic Facilities Charge	12.370000	12.170000	12.170000	12.170000	12.170000
First 500 kWh used	0.114380	0.112550	0.112550	0.108050	0.108050
All over 500 kWh used	0.112260	0.110460	0.110460	0.106040	0.106040
Commercial Customers					
<i>Small General Service-SGS</i>					
Basic Facilities Charge	0.000000	0.000000	0.000000	0.000000	0.000000
Demand Charge	17.000000	16.730000	16.730000	16.730000	16.730000
First 30kW of Billing Demand	0.000000	0.000000	0.000000	0.000000	0.000000
All over 30kW of Billing Demand	5.010000	4.930000	4.930000	4.930000	4.930000
Energy Charge					
First 3,000 kWh used	0.158060	0.155530	0.155530	0.149310	0.149310
Next 9,000 kWh used	0.087870	0.086460	0.086460	0.083000	0.083000
All over 12,000 kWh used	0.081580	0.080270	0.080270	0.077060	0.077060
Minimum Monthly Bill Amount	37.670000	37.070000	37.070000	37.070000	37.070000
<i>Medium General Service-MGS</i>					
Basic Facilities Charge	17.000000	16.730000	16.730000	16.730000	16.730000
Demand Charge					
First 30kW of Billing Demand	0.000000	0.000000	0.000000	0.000000	0.000000
All over 30kW of Billing Demand	5.720000	5.630000	5.630000	5.630000	5.630000
Energy Charge					
First 3,000 kWh used	0.150120	0.147720	0.147720	0.141810	0.141810
Next 9,000 kWh used	0.094920	0.093400	0.093400	0.089660	0.089660
All over 12,000 kWh used	0.084390	0.083040	0.083040	0.079720	0.079720
Minimum Monthly Bill Amount	37.670000	37.070000	37.070000	37.070000	37.070000
<i>Large General Service-LGS</i>					
Basic Facilities Charge	26.290000	25.870000	25.870000	25.870000	25.870000
Demand Charge					
First 30kW of Billing Demand	0.000000	0.000000	0.000000	0.000000	0.000000
All over 30kW of Billing Demand	5.920000	5.830000	5.830000	5.830000	5.830000
Energy Charge					
First 10,000 kWh used (*)	N/A	N/A	N/A	N/A	N/A
Over 10,000 kWh used (*)	N/A	N/A	N/A	N/A	N/A
First 25,000 kWh used	0.092160	0.090690	0.090690	0.087060	0.087060
Next 50,000 kWh used	0.087740	0.086340	0.086340	0.082890	0.082890
Next 75,000 kWh used	0.077400	0.076160	0.076160	0.073110	0.073110
All over 150,000 kWh used	0.071330	0.070190	0.070190	0.067380	0.067380
Minimum Monthly Bill Amount	62.780000	61.780000	61.780000	61.780000	61.780000

(*) Rate Structure Changed

Source: City of Albemarle Finance and Utilities Department

CITY OF ALBEMARLE, NORTH CAROLINA
ELECTRIC RATES
LAST TEN FISCAL YEARS

	Fiscal Year				
	2020	2021	2022	2023	2024
Residential Customers					
<i>Residential Service-RS</i>					
Basic Facilities Charge	12.170000	13.000000	15.000000	15.000000	17.000000
First 500 kWh used	0.108620	N/A	N/A	N/A	N/A
All over 500 kWh used	0.115180	0.105290	0.096500	0.096500	0.093890
<i>Residential All Electric Service-RE</i>					
Basic Facilities Charge	12.170000	0.000000	0.000000	0.000000	0.000000
First 500 kWh used	0.108050	0.000000	0.000000	0.000000	0.000000
All over 500 kWh used	0.106040	0.000000	0.000000	0.000000	0.000000
Commercial Customers					
<i>Small General Service-SGS</i>					
Basic Facilities Charge	0.000000	0.000000	0.000000	0.000000	0.000000
Demand Charge	16.730000	19.500000	25.000000	25.000000	28.000000
First 30kW of Billing Demand	0.000000	0.000000	0.000000	0.000000	0.000000
All over 30kW of Billing Demand	4.930000	5.500000	5.500000	5.500000	5.500000
Energy Charge					
First 3,000 kWh used	0.149310	0.145180	0.143730	0.143730	0.140060
Next 9,000 kWh used	0.083000	0.082500	0.081680	0.081680	0.078010
All over 12,000 kWh used	0.077060	0.077500	0.076730	0.076730	0.073060
Minimum Monthly Bill Amount	37.070000	0.000000	0.000000	0.000000	
<i>Medium General Service-MGS</i>					
Basic Facilities Charge	16.730000	30.000000	50.000000	25.000000	50.000000
Demand Charge					
First 30kW of Billing Demand	0.000000	7.000000	7.000000	0.000000	0.000000
All over 30kW of Billing Demand	5.630000	7.000000	7.000000	6.250000	6.250000
Energy Charge					
First 3,000 kWh used	0.141810	0.078970	0.078180	0.074270	0.061730
Next 9,000 kWh used	0.089660	0.078970	0.078180	0.074270	0.061730
All over 12,000 kWh used	0.079720	0.078970	0.078180	0.074270	0.061730
Minimum Monthly Bill Amount	37.020000	0.000000	N/A	N/A	N/A
<i>Large General Service-LGS</i>					
Basic Facilities Charge	25.870000	100.000000	200.000000	200.000000	250.000000
Demand Charge					
First 30kW of Billing Demand	0.000000	7.500000	7.500000	7.500000	7.500000
All over 30kW of Billing Demand	5.830000	7.500000	7.500000	7.500000	7.500000
Energy Charge					
First 10,000 kWh used (*)	N/A	0.076890	0.076120	0.076120	0.070000
Over 10,000 kWh used (*)	N/A	0.060000	0.059400	0.059400	0.060000
First 25,000 kWh used	0.087060	N/A	N/A	N/A	N/A
Next 50,000 kWh used	0.082890	N/A	N/A	N/A	N/A
Next 75,000 kWh used	0.073110	N/A	N/A	N/A	N/A
All over 150,000 kWh used	0.067380	N/A	N/A	N/A	N/A
Minimum Monthly Bill Amount	61.780000	N/A	N/A	N/A	N/A

Table 8

**CITY OF ALBEMARLE, NORTH CAROLINA
TEN LARGEST ELECTRIC CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO**

Customer	2015*			2024		
	Electric Revenue	Rank	Percentage of Total Operating Revenue	Electric Revenue	Rank	Percentage of Total Operating Revenue
Albemarle-Public Utilities				\$ 675,687	1	2.12%
IAC Albemarle LLC				531,857	2	1.67%
Stanly Regional Medical Center				525,607	3	1.65%
Preformed Line Products				484,278	4	1.52%
Enforge				405,069	5	1.27%
Wal-mart				255,526	6	0.80%
NC Dept of Adult Corrections				220,080	7	0.69%
Beverly Knits Dyeing & Finishing				151,374	8	0.47%
Ingles				135,466	9	0.42%
Food Lion LLC				123,793	10	0.39%
Totals	\$ -		0.00%	\$ 3,508,737		11.00%

Source: City of Albemarle Finance and Utilities Department

*Data Prior to 2018 was lost in a Utility Software Conversion

***CITY OF ALBEMARLE, NORTH CAROLINA
NUMBER OF WATER CUSTOMERS BY TYPE
LAST TEN FISCAL YEARS***

Fiscal Year	Residential	Commercial	Industrial	Wholesale	Total
2015	6,233	1,050	16	-	7,299
2016	6,249	1,057	14	1	7,321
2017	6,294	1,045	17	1	7,357
2018	6,251	1,045	14	1	7,311
2019	6,296	1,037	15	1	7,349
2020	6,354	1,023	15	1	7,393
2021	6,344	1,111	15	-	7,470
2022	6,555	1,005	14	1	7,575
2023	6,788	1,034	14	-	7,836
2024	7,593	1,051	14	-	8,658

Source: City of Albemarle Finance and Utilities Departments

CITY OF ALBEMARLE, NORTH CAROLINA
WATER RATES
LAST TEN FISCAL YEARS

	Fiscal Year				
	2015	2016	2017	2018	2019
Water-Inside Corporate Limits					
0 - 300 cubic feet (minimum charge)	10.76	11.19	11.64	12.11	12.11
301 - 30,000 cubic feet (charge per 100 cubic feet)	2.35	2.44	2.54	2.64	2.64
30,001 - 575,000 cubic feet (charge per 100 cubic feet)	2.03	2.11	2.19	2.28	2.28
Over 275,000 cubic feet (charge per 100 cubic feet)	1.48	1.54	1.60	1.65	1.65
Water-Outside Corporate Limits					
0 - 300 cubic feet (minimum charge)	21.51	22.37	23.26	24.19	24.19
301 - 30,000 cubic feet (charge per 100 cubic feet)	4.71	4.90	5.10	5.31	5.31
30,001 - 575,000 cubic feet (charge per 100 cubic feet)	4.06	4.22	4.39	4.57	4.57
Over 275,000 cubic feet (charge per 100 cubic feet)	1.48	1.54	1.60	1.65	1.65

Source: City of Albemarle Finance and Utilities Departments

CITY OF ALBEMARLE, NORTH CAROLINA
WATER RATES
LAST TEN FISCAL YEARS

	Fiscal Year				
	2020	2021	2022	2023	2024
Water-Inside Corporate Limits					
0 - 300 cubic feet (minimum charge)	12.91	13.68	15.23	15.70	15.70
301 - 30,000 cubic feet (charge per 100 cubic feet)	2.81	2.98	3.32	3.42	3.42
30,001 - 575,000 cubic feet (charge per 100 cubic feet)	2.43	2.58	2.87	2.96	2.96
Over 275,000 cubic feet (charge per 100 cubic feet)	1.77	1.88	2.10	2.16	2.16
Water-Outside Corporate Limits					
0 - 300 cubic feet (minimum charge)	25.79	27.34	30.42	31.36	31.36
301 - 30,000 cubic feet (charge per 100 cubic feet)	5.65	5.99	6.67	6.88	6.88
30,001 - 575,000 cubic feet (charge per 100 cubic feet)	4.87	5.16	5.75	5.93	5.93
Over 275,000 cubic feet (charge per 100 cubic feet)	1.77	1.88	4.19	4.32	4.32

**CITY OF ALBEMARLE, NORTH CAROLINA
TEN LARGEST WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Customer</u>	2015*			2024		
	<u>Water Revenue</u>	<u>Rank</u>	<u>Percentage of Total Operating Revenue</u>	<u>Water Revenue</u>	<u>Rank</u>	<u>Percentage of Total Operating Revenue</u>
City of Concord				\$ 5,356,469	1	48.60%
Stanly County Utilities				2,540,976	2	23.05%
Pfeiffer				656,730	3	5.96%
Beverly Knits Dyeing & Finishing				189,867	4	1.72%
IAC Albemarle				59,220	5	0.54%
Stanly Regional Medical Center				47,440	6	0.43%
Public Housing Dept				33,298	7	0.30%
Tidal Wave Auto Spa				27,158	8	0.25%
Enforge				27,075	9	0.25%
Stanly Manor				14,674	10	0.13%
Totals	<u>\$ -</u>		<u>0.00%</u>	<u>\$ 8,952,907</u>		<u>81.23%</u>

Source: City of Albemarle Finance and Utilities Department

*Data Prior to 2018 was lost in a Utility Software Conversion

**CITY OF ALBEMARLE, NORTH CAROLINA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2015			2024		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>
Piedmont Natural Gas Co Inc	\$ 3,837,049	10	0.37%	\$ 15,299,548	1	1.13%
Wal-mart	12,156,129	1	1.17%	14,174,020	2	1.05%
Olive Place Plaza LLC			0.00%	13,898,509	3	1.03%
Preformed Line Products	7,111,816	6	0.69%	13,391,113	4	0.99%
Duke Energy			0.00%	12,177,041	5	0.90%
South Central Oil	11,197,731	2	1.08%	10,940,272	6	0.81%
Lowe's Home Center Inc	8,517,442	5	0.82%	10,402,563	7	0.77%
Centre Point Investors LLC			0.00%	9,235,262	8	0.68%
Preformed Line Products Company	10,113,847	3	0.97%	8,994,292	9	0.67%
Auria Albemarle LLC			0.00%	8,895,347	10	0.66%
Stanly Memorial Hospital	5,655,734	9	0.54%			0.00%
IAC Group Inc	7,011,811	7	0.68%			0.00%
Kirkpatrick James R Family Trust	8,746,952	4	0.84%			0.00%
Fabric DE GP	6,227,772	8	0.60%			0.00%
Totals	\$ 80,576,283		7.76%	\$ 117,407,967		8.70%

Source: Stanly County Tax Assessor

CITY OF ALBEMARLE, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Fiscal Year				
	2015	2016	2017	2018	2019
County Direct Rate					
Stanly (General)	0.6700	0.6700	0.6700	0.6700	0.6700
Total direct rate	0.6700	0.6700	0.6700	0.6700	0.6700
City/Town Overlapping Rates					
City of Albemarle	0.5900	0.5900	0.5900	0.5900	0.5900
Municipal Service	0.1000	0.1000	0.1000	0.1000	0.1000
Maximum Combined					
**County Tax Rate	0.6700	0.6700	0.6700	0.6700	0.6700
*** City Tax Rate	0.6900	0.6900	0.6900	0.6900	0.6900

Source: Stanly County Tax Assessor

CITY OF ALBEMARLE, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Fiscal Year				
	2020	2021	2022	2023	2024
County Direct Rate					
Stanly (General)	0.6700	0.6700	0.6100	0.6100	0.6100
Total direct rate	0.6700	0.6700	0.6100	0.6100	0.6100
City/Town Overlapping Rates					
City of Albemarle	0.6400	0.6400	0.6100	0.6100	0.6100
Municipal Service	0.1000	0.1000	0.1000	0.1000	0.1000
Maximum Combined					
**County Tax Rate	0.6700	0.6700	0.6100	0.6100	0.6100
*** City Tax Rate	0.7400	0.7400	0.7100	0.7100	0.7100

CITY OF ALBEMARLE, NORTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Personal Property		
	Residential Property*	Commercial Property*	Motor Vehicles*	Personal Property	Other**
2015	\$ 555,008,384	\$ 285,396,402	\$ 103,640,920	\$ 75,281,357	\$ -
2016	555,945,405	285,920,372	106,402,162	68,924,746	-
2017	558,081,353	277,701,056	111,556,932	70,066,364	16,514,787
2018	578,212,849	271,175,987	119,170,000	77,226,803	17,254,198
2019	589,269,935	269,222,368	124,655,781	83,840,298	18,152,916
2020	588,505,539	268,762,914	132,029,355	91,746,667	18,003,742
2021	605,394,141	272,553,639	134,844,916	104,040,629	19,020,766
2022	713,809,693	304,114,583	152,056,048	100,861,820	20,741,503
2023	747,875,698	312,318,539	163,884,747	112,986,653	30,200,735
2024	792,117,282	312,851,452	185,014,823	123,214,471	33,099,319

Source: Stanly County Tax Assessor

CITY OF ALBEMARLE, NORTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Less: Tax Exempt Real Property*	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2015	\$ 14,501,469	\$ 1,004,825,594	\$ 0.5900	\$ 1,004,825,594	100%
2016	14,566,034	1,002,626,651	0.5900	1,002,626,651	100%
2017	14,402,562	1,019,517,930	0.5900	1,019,517,930	100%
2018	14,282,719	1,048,757,118	0.5900	1,048,757,118	100%
2019	14,027,235	1,071,114,063	0.6400	1,071,114,063	100%
2020	14,278,532	1,084,769,685	0.6400	1,084,769,685	100%
2021	14,549,537	1,121,304,554	0.6400	1,121,304,554	100%
2022	16,716,870	1,274,866,777	0.6100	1,274,866,777	100%
2023	17,013,219	1,350,253,153	0.6100	1,350,253,153	100%
2024	17,392,340	1,428,905,007	0.6100	1,428,905,007	100%

**CITY OF ALBEMARLE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2015	\$ 5,953,379	\$ 5,768,421	96.89%
2016	5,953,469	5,786,940	97.20%
2017	6,063,603	5,900,042	97.30%
2018	6,187,982	6,036,267	97.55%
2019	6,855,130	6,675,975	97.39%
2020	6,942,526	6,768,312	97.49%
2021	7,176,349	7,018,040	97.79%
2022	7,776,688	7,625,639	98.06%
2023	8,236,545	8,096,309	98.30%
2024	8,716,321	8,567,493	98.29%

**CITY OF ALBEMARLE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy
2015	\$ 171,446	\$ 5,939,867	99.77%
2016	150,379	5,937,319	99.73%
2017	128,763	6,028,804	99.43%
2018	130,079	6,166,346	99.65%
2019	125,514	6,801,489	99.22%
2020	139,664	6,907,976	99.50%
2021	115,409	7,133,449	99.40%
2022	96,663	7,722,302	99.30%
2023	63,938	8,160,247	99.07%
2024	-	8,567,493	98.29%

CITY OF ALBEMARLE, NORTH CAROLINA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities		
	Installment Debt	Lease Liability	Subscription Liability	Installment Debt	Lease Liability	Subscription Liability
2015	\$ 1,892,556	\$ -	\$ -	\$ 17,636,955	\$ -	\$ -
2016	2,164,978	-	-	19,353,778	-	-
2017	3,624,773	-	-	26,245,557	-	-
2018	3,011,015	-	-	27,906,687	-	-
2019	2,666,775	-	-	25,858,294	-	-
2020	6,675,620	-	-	28,921,695	-	-
2021	5,956,166	-	-	27,329,810	-	-
2022	6,315,581	243,975	-	26,333,625	37,410	-
2023	5,550,358	508,807	75,248	24,090,944	21,015	44,272
2024	4,920,458	394,679	36,360	26,249,613	4,471	23,409

CITY OF ALBEMARLE, NORTH CAROLINA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Total Primary Government	Percentage of Personal Income	Per Capita
2015	\$ 19,529,511	3.39%	1,222
2016	21,518,756	3.63%	1,347
2017	29,870,330	5.01%	1,853
2018	30,917,702	5.32%	1,919
2019	28,525,069	4.66%	1,771
2020	35,597,315	10.03%	2,191
2021	33,285,976	8.40%	2,026
2022	32,930,591	7.96%	1,980
2023	30,290,644	7.26%	1,807
2024	31,628,990	7.23%	1,868

CITY OF ALBEMARLE, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 80,632,773	\$ 80,617,657	\$ 82,218,351	\$ 83,900,569	\$ 85,689,125
Total net debt applicable to limit	<u>17,849,511</u>	<u>25,683,913</u>	<u>29,870,330</u>	<u>30,917,419</u>	<u>28,525,070</u>
Legal debt margin	<u>\$ 62,783,262</u>	<u>\$ 54,933,744</u>	<u>\$ 52,348,021</u>	<u>\$ 52,983,150</u>	<u>\$ 57,164,055</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>22.14%</u>	<u>31.86%</u>	<u>36.33%</u>	<u>36.85%</u>	<u>33.29%</u>

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	<u>\$ 1,428,905,007</u>
Debt limit - 8% of assessed value	\$ 114,312,401
Debt applicable to limit:	
General obligation bonds	-
Installment purchases	31,170,071
Less: Water and Sewer Fund installment purchases	(24,436,833)
Total amount of debt applicable to debt limit	<u>6,733,238</u>
Legal debt margin	<u>\$ 107,579,163</u>

CITY OF ALBEMARLE, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 86,781,575	\$ 89,704,364	\$ 101,989,342	\$ 108,020,252	\$ 114,312,401
Total net debt applicable to limit	<u>35,597,315</u>	<u>33,285,976</u>	<u>8,832,421</u>	<u>7,645,969</u>	<u>6,733,238</u>
Legal debt margin	<u>\$ 51,184,260</u>	<u>\$ 56,418,388</u>	<u>\$ 93,156,921</u>	<u>\$ 100,374,283</u>	<u>\$ 107,579,163</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>41.02%</u>	<u>37.11%</u>	<u>8.66%</u>	<u>7.08%</u>	<u>5.89%</u>

**CITY OF ALBEMARLE, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)*	School Enrollment (3)**	Unemployment Rate (4)**
2015	15,976	\$ 576,925,312	36,112	8,666	5.7%
2016	15,979	592,101,845	37,055	8,670	4.8%
2017	16,121	595,799,918	36,958	8,582	3.8%
2018	16,109	580,890,540	36,060	8,291	3.7%
2019	16,106	611,850,834	37,989	8,289	4.2%
2020	16,246	355,023,838	21,853	8,270	6.1%
2021	16,432	396,175,520	24,110	8,352	4.5%
2022	16,628	413,754,524	24,883	8,315	3.6%
2023	16,766	417,188,378	24,883	8,315	3.2%
2024	16,936	437,566,964	25,837	8,623	3.7%

*County-Level data through 2019, City level data 2020 and beyond

** County-Level data, no city data available

Sources:

(1) United States Census Bureau

(2) Until 2020, N.C. Employment Security Commission Workforce In-Depth. 2020 and beyond US Census Bureau

(3) Division of School Business Services School Allotments Sections

(4) N.C. Department of Commerce D4 Local Area Unemployment Statistics

**CITY OF ALBEMARLE, NORTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2015			2024		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
ESS Southeast LLC				1000+	1	4.88%
Stanly County Schools	1000+	1	4.88%	1000+	2	4.88%
Atrium Health	500-999	2	2.71% - 4.88%	500-999	3	2.71% - 4.88%
Fiberon				500-999	4	2.71% - 4.88%
Wal-mart	500-999	3	2.71% - 4.88%	500-999	5	2.71% - 4.88%
County of Stanly	250-499	4	1.35% - 2.70%	500-999	6	2.71% - 4.88%
Michelin North America	250-499	5	1.35% - 2.70%	250-499	7	1.35% - 2.70%
Food Lion	250-499	9	1.35% - 2.70%	250-499	8	1.35% - 2.70%
Clayton Mobile Homes				250-499	9	1.35% - 2.70%
Stanly Community College	250-499	6	1.35% - 2.70%	250-499	10	1.35% - 2.70%
City of Albemarle						
IAC Albemarle	250-499	7	1.35% - 2.70%			
Monarch	250-499	10	1.35% - 2.70%			
Employment Control Inc						
Nc Dept of Public Safety	250-499	8	1.35% - 2.70%			

Source: Stanly County Economic Development Office

Note: (1) County-level data

Note: (2) County reported Range of Employees this year

CITY OF ALBEMARLE, NORTH CAROLINA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government					
Administration	3	3	3	2	3
Economic Development	1	1	1	1	1
Downtown Development	-	1	2	1	1
Human Resources	3	3	3	3	3
Finance	10	10	9	7	9
Information Systems	4	3	3	4	3
Planning Development Services	6	6	6	6	6
Engineering	1	1	1	1	-
Public safety					
Police	54	55	64	52	48
School Resource	2	2	2	2	2
Fire	42	43	43	39	40
Fire Marshal	1	1	1	1	1
Public Works					
Administration	3	2	2	2	2
Central Warehouse	2	2	2	2	2
Central Garage	4	4	2	4	4
Streets and Highways	11	14	17	10	10
Downtown Services	2	2	1	2	2
Solid Waste	-	-	-	-	-
Landfill	12	13	12	10	11
Public Housing	10	9	9	9	9
Recreation	6	6	6	6	7
Parks	10	9	9	9	7
Water and Sewer					
Water Treatment	20	18	16	15	18
Sewer Treatment	16	16	17	15	16
Water/Sewer Lines	19	20	20	20	19
Electric					
Administration	10	10	10	10	9
Operations	21	21	21	19	19
Customer Service	3	3	3	3	3
Total	<u>276</u>	<u>277</u>	<u>284</u>	<u>255</u>	<u>255</u>

Source: City of Albemarle Finance, Payroll

CITY OF ALBEMARLE, NORTH CAROLINA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government					
Administration	4	4	4	5	5
Economic Development	1	1	1	1	1
Downtown Development	1	1	1	1	1
Human Resources	3	3	3	4	4
Finance	9	9	9	10	10
Information Systems	4	4	4	5	5
Planning Development Services	6	9	8	8	8
Engineering	-	-	-	-	-
Public safety					
Police	49	65	47	47	54
School Resource	3	3	3	4	4
Fire	38	43	41	40	41
Fire Marshal	1	1	1	1	1
Public Works					
Administration	3	3	3	3	3
Central Warehouse	2	2	2	2	2
Central Garage	4	4	5	4	6
Streets and Highways	13	13	13	13	13
Downtown Services	2	2	3	3	2
Solid Waste	-	-	-	-	3
Landfill	13	13	13	13	13
Public Housing	9	9	7	7	5
Recreation	7	7	8	8	9
Parks	7	8	7	7	8
Water and Sewer					
Water Treatment	17	18	17	18	18
Sewer Treatment	17	16	15	14	13
Water/Sewer Lines	19	20	20	19	21
Electric					
Administration	9	9	8	8	8
Operations	19	20	21	20	22
Customer Service	3	4	4	5	6
Total	<u>263</u>	<u>291</u>	<u>268</u>	<u>270</u>	<u>286</u>

**CITY OF ALBEMARLE, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

**Table 21
Page 1 of 2**

Function	Fiscal Year				
	2015	2016	2017	2018	2019
Police					
Arrests	1,450	1,550	1,732	2,453	1,925
Traffic Violations	4,364	4,890	4,161	3,309	2,856
Parking Violations	66	86	63	10	8
Sworn Officers	48	49	49	49	48
Fire					
Total Responses	2,307	2,470	2,507	2,621	3,181
Working Fires	28	25	25	24	54
EMS Response	1,669	1,917	1,923	1,974	2,335
Mutual Aid Given	34	29	35	34	43
Mutual Aid Received	79	56	47	50	82
Property Loss (dollars)	\$ 1,056,100	\$ 378,119	\$ 600,150	\$ 556,209	\$ 992,275
Inspections Performed	677	1,279	446	581	1129
Streets					
Street Resurfacing (miles)	0.28	0.00	-	-	5.18
Sidewalk Installation/Repair*			\$ 270,467	-	\$ 27,521
Environmental Protection					
Number of Households Served	6,399	6,389	6,238	6,328	6,328
Solid Waste Collected (tons/year)	6,434	6,930	6,152	5,913	6,202
Leaves Collected (tons/year)	2,470	2,170	1,860	2,024	1,394
Electric					
Number of metered accounts	11,867	11,889	12,113	13,516	13,609
Average daily consumption	79	76	74	72	69
Water					
Number of metered water accounts	7,285	7,291	7,337	7,962	8,010
Average daily water treatment* (gallons per million)	2.23	3.10	4.07	4.16	4.31
Wastewater					
Number of sewer accounts	6,696	6,705	6,712	7,271	7,317
Average daily sewage collected* (gallons per million)		5.87	5.34	4.88	6.86
Average daily sewage treatment* (gallons per million)		6	5.34	4.88	6.86
Parks and Recreation					
Number of Youth Programs	54	67	49	101	65
Number of Adult Programs	17	20	50	34	49
Number of Senior Programs	7	9	15	38	36
Number of Facility Rentals	336	343	342	305	281
Planning and Community Development					
Building Permits (estimated structure cost)**	\$ 18,148,532	\$ 26,550,096	\$ 6,714,448	\$ 5,300,644	\$ 13,742,635
Sign Permits	64	49	36	41	49
Landfill (tons)					
Solid Waste	43,360	53,040	41,891	50,670	40,804
C&D*	5,096	4,333	19,600	11,378	11,838
Recyclables				1,028	33
Metal	90	119	194	193	26
Paper	45	54	19	5	38
Electronics*		26	37	20	23
Plastics*		66	0	22	29
Yard Waste*		3,838	3,720	7,473	626

Sources: City departments

*Accurate information not available for prior years.

**Information not available due to system Error. Will rebuild for subsequent years

**CITY OF ALBEMARLE, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

**Table 21
Page 2 of 2**

Function	Fiscal Year				
	2020	2021	2022	2023	2024
Police					
Arrests	1,881	1,693	1,406	1,298	1,291
Traffic Violations	3,442	2,579	2,532	1,589	1,461
Parking Violations	134	-	-	2	-
Sworn Officers	49	38	37	40	40
Fire					
Total Responses	3,152	2,777	3,049	3,346	3,249
Working Fires	77	98	133	121	95
EMS Response	2,376	1,985	2,177	2,461	2,361
Mutual Aid Given	41	42	39	42	34
Mutual Aid Received	85	57	65	61	58
Property Loss (dollars)	\$ 955,050	\$ 537,942	\$ 2,403,146	\$ 869,913	\$ 2,216,979
Inspections Performed	1,219	1,132	963	906	1,109
Streets					
Street Resurfacing (miles)	5.21	3.79	-	-	-
Sidewalk Installation/Repair*	\$ 66,492	\$ 16,058	\$ 13,784	\$ 18,147	\$ 26,329
Environmental Protection					
Number of Households Served	6,238	6,238	6,238	6,238	6,238
Solid Waste Collected (tons/year)	6,182	6,315	6,532	6,271	5,878
Leaves Collected (tons/year)	1,343	2,269	1,174	1,463	1,322
Electric					
Number of metered accounts	13,778	12,413	12,535	13,077	13,729
Average daily consumption	62	72	74	59	61
Water					
Number of metered water accounts	8,061	7,470	7,591	7,881	8,331
Average daily water treatment* (gallons per million)	4.50	4.64	5.51	6	11
Wastewater					
Number of sewer accounts	7,371	6,916	7,061	4,914	7,430
Average daily sewage collected* (gallons per million)	5.45	5.67	4.31	4	5
Average daily sewage treatment* (gallons per million)	5.45	5.67	4.31	4	5
Parks and Recreation					
Number of Youth Programs	30	70	183	183	153
Number of Adult Programs	25	19	138	138	100
Number of Senior Programs	10	10	38	38	55
Number of Facility Rentals	100	434	634	689	1,706
Planning and Community Development					
Building Permits (estimated structure cost)**	\$ 31,879,764	\$ 41,391,587	0**	0**	0**
Sign Permits	60	53	0**	0**	0**
Landfill (tons)					
Solid Waste	42,517	43,733	54,007	51,096	64,671
C&D*	5,243	8,409	17,984	19,114	15,309
Recyclables	40	5	382	237	153
Metal	24	29	282	91	76
Paper	33	38	1	-	-
Electronics*	18	14	14	12	12
Plastics*	22	24	22	-	-
Yard Waste*	286	1,759	3,746	3,352	2,291

CITY OF ALBEMARLE, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	2015	2016	2017	2018	2019
Police					
Stations	1	1	1	1	1
Substations	3	3	3	3	3
Patrol units	28	28	28	28	28
Unmarked units	11	11	12	12	14
K-9 Units	2	2	2	2	1
Fire					
Stations	3	3	3	3	3
Fire Trucks	5	5	5	5	5
Public Works					
Miles of Streets	121	121	121	121	121
Electric					
Miles of Distribution Lines	325	325	400	345	345
Number of delivery points (substations)	3	3	3	3	3
Street Lights	2840	2847	2894	2899	2901
Traffic Signals	124	124	125	120	120
Water Treatment					
Plants	2	2	2	2	2
Miles of Distribution Lines	190	190	190	190	190
Fire Hydrants	900	900	900	900	900
Storage Capacity	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Wastewater Treatment					
Plants	1	1	1	1	1
Miles of Collection Lines	190	190	190	190	190
Parks and Recreation					
Acreage	297	297	297	274	274
Playgrounds	6	6	6	5	5
Parks	6	6	6	5	5
Gymnasiums	1	1	1	1	1
Basketball Courts	3	3	3	2	3
Baseball Fields	4	4	3	4	4
Soccer Fields	5	5	5	5	5
Community Centers	2	2	2	1	2
Tennis Courts	9	9	9	9	9
Swimming Pools	2	2	2	2	2
Greenway (miles)	1.25	1.25	1.25	1.25	1.25
Walking Trails	3	3	3	4	4
Lakes	1	1	1	1	1
Landfill**					
Land and Improvements	\$ 1,047,204	\$ 1,047,204	\$ -	\$ 981,498	\$ 959,595
Buildings	\$ 116,942	\$ 116,942	\$ 341,659	\$ 96,607	\$ 1,548,168
Equipment & Vehicles	\$ 999,524	\$ 2,166,424	\$ 105,232	\$ 1,228,746	\$ 1,145,501
Infrastructure	\$ 969,014	\$ 968,014	\$ 243,542	\$ 46,214	\$ 2,076,341
Public Housing					
Units	199	199	199	199	199

Sources: City departments

*Data unavailable for blank fiscal years

**Assets reported net of depreciation

CITY OF ALBEMARLE, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	2020	2021	2022	2023	2024
Police					
Stations	1	1	1	1	1
Substations	3	3	3	3	3
Patrol units	28	33	38	42	48
Unmarked units	14	15	16	15	15
K-9 Units	3	1	0	1	2
Fire					
Stations	3	3	3	3	3
Fire Trucks	5	5	5	5	6
Public Works					
Miles of Streets	121	121	121	121	121
Electric					
Miles of Distribution Lines	143	143	148	350	350
Number of delivery points (substations)	3	3	3	3	3
Street Lights	2283	3001	3021	2,159	2,185
Traffic Signals	122	126	126	126	126
Water Treatment					
Plants	2	2	2	2	2
Miles of Distribution Lines	190	190	190	190	200
Fire Hydrants	900	900	900	900	900
Storage Capacity	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Wastewater Treatment					
Plants	1	1	1	1	1
Miles of Collection Lines	190	190	190	190	200
Parks and Recreation					
Acreage	274	274	274	274	274
Playgrounds	5	5	5	5	5
Parks	5	5	5	5	5
Gymnasiums	1	1	1	1	1
Basketball Courts	3	3	3	3	3
Baseball Fields	4	4	4	4	4
Soccer Fields	5	5	5	5	5
Community Centers	2	2	2	2	2
Tennis Courts	9	6	6	6	6
Swimming Pools	2	2	2	2	2
Greenway (miles)	1.25	1.25	1.25	1	1.25
Walking Trails	4	15	15	15	15
Lakes	1	1	1	1	1
Landfill**					
Land and Improvements	\$ 942,630	\$ 920,375	\$ 898,120	\$ 875,865	\$ 581,781
Buildings	\$ 1,648,626	\$ 1,609,897	\$ 1,572,938	\$ 1,536,293	\$ 1,791,729
Equipment & Vehicles	\$ 988,265	\$ 634,609	\$ 452,204	\$ 2,279,741	\$ 2,441,363
Infrastructure	\$ 1,970,265	\$ 2,277,267	\$ 2,222,987	\$ 2,168,618	\$ 2,114,430
Public Housing					
Units	199	199	199	199	199



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COMPLIANCE SECTION



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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Albemarle, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the City of Albemarle ABC Board, as described in our report on the City of Albemarle's financial statements. The financial statements of the City of Albemarle ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the financial statements of the City of Albemarle ABC Board or that are reported separately by those auditors who audited the financial statements of the City of Albemarle ABC Board.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 25, 2024

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on the Housing Voucher Cluster

In our opinion, except for the non-compliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City of Albemarle complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Housing Voucher Cluster for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City of Albemarle complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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

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

Matters Giving Rise to Qualified Opinion on the Housing Voucher Cluster

As described in the accompanying Schedule of Findings, Responses, and Questioned Costs, the City of Albemarle did not comply with requirements regarding AL# 14.871 Housing Voucher Cluster as described in Finding 2024-001 for Eligibility, Reporting, and Special Tests and Provisions, Finding 2024-002 for Reporting and Special Tests and Provisions, and Findings 2024-003 and 2024-004 for Special Tests and Provisions.

Compliance with such requirements is necessary, in our opinion, for the City of Albemarle to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, and the terms and conditions of its federal awards applicable to the City of Albemarle's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Albemarle's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Albemarle's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City of Albemarle's internal control over compliance. Accordingly, no such opinion is expressed.

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

Government Auditing Standards require the auditor to perform limited procedures on the City of Albemarle's responses to the non-compliance findings identified in our audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The City of Albemarle's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-001, 2024-002, 2024-003 and 2024-004 to be material weaknesses.

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

Government Auditing Standards, require the auditor to perform limited procedures on the City of Albemarle's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The City of Albemarle's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 25, 2024



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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than *a material weakness in internal control over compliance*, yet important enough to merit attention by those charged with governance.

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

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

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 25, 2024



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

1. Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiency identified? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? Yes
- Significant deficiency identified? None reported

Type of auditor’s report issued on compliance for major federal programs Unmodified for all federal programs except for Housing Voucher Cluster, which is qualified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

<u>Program Name</u>	<u>AL#</u>
Housing Voucher Cluster	14.871
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Clean Water State Revolving Fund	66.458

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

CITY OF ALBEMARLE, NORTH CAROLINA

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

1. Summary of Auditor’s Results (continued):

State Awards

Internal control over major state programs:

- Material weakness identified? No
- Significant deficiency identified? None reported

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

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

Identification of major state programs:

Program Name
Powell Bill

Auditee qualified as a State low-risk auditee? No

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

None reported.

CITY OF ALBEMARLE, NORTH CAROLINA

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

3. Findings and Questioned Costs Related to the Audit of Federal Awards

Finding: 2024-001

U.S. Department of Housing & Urban Development

Program Name: Housing Voucher Cluster

AL Number: 14.871

Material Non-Compliance

Material Weakness

Eligibility, Reporting, Special Tests and Provisions

Criteria: In accordance with 24 CFR 200, management should have an adequate system of internal control procedures in place to ensure that applicants have all required documentation in their file. In accordance with 24 CFR Part 5 Subpart F, the City must maintain documentation to support tenant eligibility. In accordance with 24 CFR section 982.516, the City must reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification.

In accordance with 24 CFR Part 908 and 24 CFR section 982.158, the Public Housing Agencies (PHA) are required to submit form HUD-50058, *Family Report*, electronically to HUD each time the PHA completes an issuance, admission, annual reexamination, interim reexamination, portability move-in, expiration, or other change of unit for a family.

In accordance with 24 CFR sections 960.202 through 960.208, the City must establish, adopt, and follow policies for admission of tenants as it relates to the Public Housing waiting list. All families admitted to the program must be selected from the waiting list.

In accordance with 24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507, the PHA must determine that the rent to the owner is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract. The PHA must maintain records to document the basis for the determination that rent to owner is a reasonable rent.

In accordance with 24 CFR section 982.158 and 24 CFR Part 982, Subpart K, the PHA must pay a monthly Housing Assistance Payment (HAP) on behalf of the family that corresponds with the amount on the HUD-50058. This HAP amount must be reflected on the HAP contract and HAP register.

Condition: The Public Housing Department did not follow procedures to ensure the proper eligibility determination, reexaminations, waiting lists, reasonable rent, reporting, and housing assistance payments were made and documented.

Context: Of the 1,598 housing assistance payments during the current year valued at \$771,603, we examined 60 (valued at \$33,835) and determined that 60 (100% valued at \$33,835) housing assistance payments were not supported with case documentation to confirm eligibility. Reexaminations were not completed timely to allow adjustments to housing assistance payments as

CITY OF ALBEMARLE, NORTH CAROLINA

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

necessary. Therefore, the housing assistance payments made during fiscal year 2024 were not supported by accurate information. Case files were missing documentation to support that the rent to the owners were reasonable and that the tenants were selected from the waiting list.

Of the 60 housing assistance payments we examined, we determined that 12 applicants (20%) did not have proper documentation on file to support the amounts on the HAP contract or did not have the form HUD-50058, *Family Report*.

Effect: Owners could receive benefits for which they are not eligible.

Cause: Weakness in implementation of controls over eligibility, reporting, and special tests procedures. Due to the turnover in the housing department, the City failed to obtain or retain the completed documentations required.

Questioned Cost: In accordance with 2 CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. The sample results identified \$771,603 in known questioned costs.

Recommendation: Management should adhere to the program's policy and maintain proper eligibility documentation in the applicant's file.

Views of Responsible Officials and Planned Corrective Actions: The City agrees with this finding. Please refer to the Corrective Action Plan section of this report.

CITY OF ALBEMARLE, NORTH CAROLINA

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

3. Findings and Questioned Costs Related to the Audit of Federal Awards (continued)

Finding: 2024-002

U.S. Department of Housing & Urban Development

Program Name: Housing Voucher Cluster

AL Number: 14.871

Material Non-Compliance

Material Weakness

Reporting, Special Tests and Provisions

Criteria: In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that applicants have all required documentation in their file. In accordance with 24 CFR Part 5 Subpart F, the City must maintain documentation to support tenant eligibility.

In accordance with 24 CFR Part 908 and 24 CFR section 982.158, the Public Housing Agencies (PHA) are required to submit form HUD-50058, *Family Report*, electronically to HUD each time the PHA completes an issuance, admission, annual reexamination, interim reexamination, portability move-in, expiration, or other change of unit for a family.

In accordance with 24 CFR sections 960.202 through 960.208, the City must establish, adopt, and follow policies for admission of tenants as it relates to the Public Housing waiting list. All families admitted to the program must be selected from the waiting list.

In accordance with 24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507, the PHA must determine that the rent to the owner is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract. The PHA must maintain records to document the basis for the determination that rent to owner is a reasonable rent.

In accordance with 24 CFR section 982.158 and 24 CFR Part 982, Subpart K, the PHA must pay a monthly Housing Assistance Payment (HAP) on behalf of the family that corresponds with the amount on the HUD-50058. This HAP amount must be reflected on the HAP contract and HAP register.

Condition: The Public Housing Department did not follow procedures to ensure the proper eligibility determination, waiting lists, reasonable rent and housing assistance payments were made and documented.

Context: Of the 1 new participant during the current year valued at \$11,200, we examined 1 (valued at \$11,200) and determined that 1 (100% valued at \$11,200) was not supported with case documentation to confirm eligibility. The case file was missing documentation to support that the rent to the owners were reasonable and that the tenant was selected from the waiting list. The case file did not have proper documentation on file to support the amount on the HAP contract and did not have the form HUD-50058, *Family Report*.

CITY OF ALBEMARLE, NORTH CAROLINA

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

Effect: Owners could receive benefits for which they are not eligible.

Cause: Weakness in implementation of controls over eligibility, reporting, and special tests procedures. Due to the turnover in the housing department, the City failed to obtain or retain the completed documentations required.

Questioned Cost: In accordance with 2 CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. Likely questioned costs do not exceed \$25,000.

Recommendation: Management should adhere to the program's policy and maintain proper eligibility documentation in the applicant's file.

Views of Responsible Officials and Planned Corrective Actions: The City agrees with this finding. Please refer to the Corrective Action Plan section of this report.

CITY OF ALBEMARLE, NORTH CAROLINA

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

3. Findings and Questioned Costs Related to the Audit of Federal Awards (continued)

Finding: 2024-003

U.S. Department of Housing & Urban Development

Program Name: Housing Voucher Cluster

AL Number: 14.871

Material Non-Compliance

Material Weakness, Special Tests and Provisions

Criteria: In accordance with 24 CFR sections 982.158(d) and 982.405(b), the Public Housing Agencies (PHA) must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report.

Condition: The City did not follow procedures to ensure compliance of housing quality standards inspections.

Context: Of the 1,598 applicants during the current year valued at \$771,603, we examined 60 and determined that 9 (15% valued at \$5,400) did not have a unit inspection report to verify that the unit was inspected.

Effect: Units leased to a family could not meet the housing quality standards necessary for the health and safety of program participants.

Cause: Lack of proper internal control over housing quality standards inspections.

Questioned Cost: The finding represented an internal control weakness; therefore, no questioned costs are applicable.

Recommendation: Management should implement controls to ensure that housing quality standards inspections are completed at least biennially and documented on a unit inspection report.

Views of Responsible Officials and Planned Corrective Actions: The City agrees with this finding. Please refer to the Corrective Action Plan section of this report.

CITY OF ALBEMARLE, NORTH CAROLINA

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

3. Findings and Questioned Costs Related to the Audit of Federal Awards (continued)

Finding: 2024-004

U.S. Department of Housing & Urban Development

Program Name: Housing Voucher Cluster

AL Number: 14.871

Material Non-Compliance

Material Weakness, Special Tests and Provisions

Criteria: In accordance with 24 CFR sections 982.158(d) and 982.404, units under housing assistance payment (HAP) contract that fail to meet Housing Quality Standards (HQS), the Public Housing Agencies (PHA) must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop HAPs beginning no later than the first of the month following the specified correction period or must terminate the HAP contract.

Condition: The City did not follow procedures to ensure that the HQS were corrected or subsequent procedures to stop HAP were not enforced.

Context: Of the 16 failed inspections valued at \$35,151 during the current year, we examined 4 valued at \$8,104 and determined that 1 (25% valued at \$5,649) failed inspections was not corrected and the HAP were not stopped timely.

Effect: Owner could receive benefits for which they are not eligible.

Cause: Lack of proper internal control over HQS enforcement.

Questioned Cost: In accordance with 2 CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. Likely questioned costs do not exceed \$25,000.

Recommendation: Management should implement controls to ensure that HQS enforcement procedures are followed timely.

Views of Responsible Officials and Planned Corrective Actions: The City agrees with this finding. Please refer to the Corrective Action Plan section of this report.

CITY OF ALBEMARLE, NORTH CAROLINA

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

4. Findings and Questioned Costs Related to the Audit of State Awards

None reported.

CITY OF ALBEMARLE, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

Finding: 2023-001
Status: Corrected.

Finding: 2023-002
Status: Corrected.

Finding: 2023-003
Status: Corrected.

Finding: 2023-004
Status: Corrected.

Finding: 2023-005
Status: Corrected.



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CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024

Finding: 2024-001

Name of Contact Person: Renae Miller, Public Housing Director

Corrective Action/Management's Response:

Compliance with Rent Reasonableness Policy

The HCV program will adhere to its written policy for determining and documenting rent reasonableness. This will be based on current rental rates for comparable, unassisted units.

Quality Control Measures

A quality control sample will be conducted to ensure the program is following its policies for determining rent reasonableness.

Accurate System Inputs

Payment standards are correctly entered into the software system. Household incomes are verified and correctly used in calculations. Utility allowances, as determined by the utility allowance study, are consistently applied.

Adherence to Regulations and Policy

Rent reasonableness determinations will be conducted in compliance with applicable regulations and program policies.

Correction of HAP Assistance Errors

The HCV program has identified instances of ineligible Housing Assistance Payments (HAP). The program is actively correcting these errors to ensure all HAP payments are accurate.

Proper Documentation

Participant files will be maintained with complete and accurate eligibility documentation to support compliance.

Proposed Completion Date: Immediately and ongoing.

Finding: 2024-002

Name of Contact Person: Renae Miller, Public Housing Director

Corrective Action/Management's Response:

Compliance with Rent Reasonableness Policy

The HCV program will adhere to its written policy for determining and documenting rent reasonableness. This will be based on current rental rates for comparable, unassisted units.

Quality Control Measures

A quality control sample will be conducted to ensure the program is following its policies for determining rent reasonableness.

Accurate System Inputs

Payment standards are correctly entered into the software system. Household incomes are verified and correctly used in calculations. Utility allowances, as determined by the utility allowance study, are consistently applied.

Adherence to Regulations and Policy

Rent reasonableness determinations will be conducted in compliance with applicable regulations and program policies.

Correction of HAP Assistance Errors

The HCV program has identified instances of ineligible Housing Assistance Payments (HAP). The program is actively correcting these errors to ensure all HAP payments are accurate.

Proper Documentation

Participant files will be maintained with complete and accurate eligibility documentation to support compliance.

Proposed Completion Date: Immediately and ongoing.

Finding: 2024-003

Name of Contact Person: Renae Miller, Public Housing Director

Corrective Action/Management's Response:

Inspector Skills and Certifications

The current HCV staff inspector demonstrates the necessary skills to effectively inspect units. The inspector has successfully obtained both HQS and NSPIRE certifications. The HCV Manager has also successfully obtained the NSPIRE certification.

Coordination of Inspections

The Executive Director and HCV Manager ensure the inspector is informed of potential lease-ups promptly. The receptionist collaborates with the inspector to schedule inspections efficiently. The inspector and receptionist have addressed outstanding inspections and will continue to work together to ensure timely scheduling of all future inspections.

Review of HUD PIC Reports

The Executive Director and HCV Manager will review and discuss the HUD PIC report monthly, or more frequently, if necessary, to maintain oversight and compliance.

Training for Inspection Documentation

The HCV inspector will receive training on accurately entering all inspection appointments into the Management Software system. This will enhance tracking and ensure comprehensive documentation of inspection activities.

Proposed Completion Date: Immediately and ongoing.

Finding: 2024-004

Name of Contact Person: Renae Miller, Public Housing Director

Corrective Action/Management's Response:

Inspector Skills and Certifications

The current HCV staff inspector demonstrates the necessary skills to effectively inspect units. The inspector has successfully obtained both HQS and NSPIRE certifications. The HCV Manager has also successfully obtained the NSPIRE certification.

Coordination of Inspections

The Executive Director and HCV Manager ensure the inspector is informed of potential lease-ups promptly. The receptionist collaborates with the inspector to schedule inspections efficiently. The inspector and receptionist have addressed outstanding inspections and will continue to work together to ensure timely scheduling of all future inspections.

Review of HUD PIC Reports

The Executive Director and HCV Manager will review and discuss the HUD PIC report monthly, or more frequently, if necessary, to maintain oversight and compliance.

Training for Inspection Documentation

The HCV inspector will receive training on accurately entering all inspection appointments into the Management Software system. This will enhance tracking and ensure comprehensive documentation of inspection activities.

Proposed Completion Date: Immediately and ongoing.

CITY OF ALBEMARLE, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-Through Grantor's Number</u>	<u>Federal (Direct & Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-Through to Subrecipients</u>
FEDERAL AWARDS:					
<u>U.S. Department of Housing & Urban Development</u>					
Direct Grant:					
Low Income Housing:					
Public Housing Operating Fund	14.850		\$ 705,509	\$ -	\$ -
Total Low Income Housing			<u>705,509</u>	<u>-</u>	<u>-</u>
Housing Voucher Cluster:					
Section 8 Housing Choice Vouchers	14.871		1,170,723	-	-
Total Housing Voucher Cluster			<u>1,170,723</u>	<u>-</u>	<u>-</u>
Public Housing Capital Fund:					
Public Housing Capital Fund - NC19PO75501-20	14.872		2,316	-	-
Public Housing Capital Fund - NC19PO75501-21	14.872		22,399	-	-
Public Housing Capital Fund - NC19PO75501-22	14.872		305,791	-	-
Total Public Housing Capital Fund			<u>330,506</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Housing & Urban Development			<u>2,206,738</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Environmental Protection Agency</u>					
Pass through N.C. Department of Environmental Quality					
Clean Water State Revolving Fund (Sanitary Sewer Rehabilitation, Phase 3)	66.458	CS370522-07	6,813,886	-	-
Clean Water State Revolving Fund (Long Creek WTP Treatment Process Rehab)	66.458	CS370522-08	219,340	-	-
Total Clean Water State Revolving Fund			<u>7,033,226</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Environmental Protection Agency			<u>7,033,226</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>					
Direct Grant:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	NC0004	1,634,731	-	-
Passed through N.C. Department of Environmental Quality					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SRP-SW-ARP-0039	210,200	-	-
Total U.S. Department of Treasury			<u>1,844,931</u>	<u>-</u>	<u>-</u>
Total federal awards			<u>11,084,895</u>	<u>-</u>	<u>-</u>
STATE AWARDS:					
<u>N.C. Department of Transportation</u>					
Powell Bill		DOT-4 32570	-	890,069	-
Total N.C. Department of Transportation			<u>-</u>	<u>890,069</u>	<u>-</u>
<u>N.C. Office of State Budget and Management</u>					
Passed through Golden LEAF Foundation					
Flood Mitigation Program		FY2022-159	-	33,375	-
Total N.C. Office of State Budget and Management			<u>-</u>	<u>33,375</u>	<u>-</u>
<u>N.C. Department of Commerce</u>					
Industrial Development Fund Utility Account		U508	-	344,300	-
Total N.C. Department of Commerce			<u>-</u>	<u>344,300</u>	<u>-</u>
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Program		35415	-	11,155	-
Total N.C. Department of Public Safety			<u>-</u>	<u>11,155</u>	<u>-</u>
Total state awards			<u>-</u>	<u>1,278,899</u>	<u>-</u>
Total federal and state awards			<u>\$ 11,084,895</u>	<u>\$ 1,278,899</u>	<u>\$ -</u>

CITY OF ALBEMARLE, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

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

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Loans Outstanding

The City of Albemarle had the following loan balances outstanding at June 30, 2024, for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. No drawdowns have been made at June 30, 2024, for the Clean Water State Revolving Fund (Long Creek WWTP Treatment Process Rehab). The balance of loans outstanding at June 30, 2024, consist of:

Program Name	Federal Assistance Listing Number	Pass-through Grantor's Number	Amount Outstanding
Clean Water State Revolving Fund (Sanitary Sewer Rehabilitation, Phase 3)	66.458	CS370522-07	\$ 4,098,208
Clean Water State Revolving Fund (Long Creek WTP Treatment Process Rehab)	66.458	CS370522-08	\$ -



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